THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XX. | 10c. a Copy; $5.00 a Year | PUBLICATION OFFICE: TORONTO, DECEMBER 3, 1926 | Member of Audit Bureau of Circulations | No. 49

The Nation's Business

Mond Pleads for Empire Free Trade
Ferguson Has Given Ontario Good Government
Deserved to go Back
Dunning Wise to Get Best Advice

WHEN Sir Alfred Mond was in Canada he set forth at various public gatherings the view that the British Empire should be developed by her statesmen, and business men as an economic unit. Since his return to England he has been saying the same thing to the British people of the British Isles.

Writing in the London Observer, he urges a vigorous and co-operative development programme on the basis of Imperial Free Trade. He restates the powerful argument for the Empire as a far more self-supporting entity. We must, he pleads, look at the Empire as a whole and not in sections. "We must visualise it as one economic unit, with a policy whereby there could be free intercourse of the Empire's goods within its own territories, as America has from New York to San Francisco as Canada has from Quebec to Vancouver, with the necessary protection and self-protection that is found necessary against those outside. The British Empire could then form that third group which is obviously called for to counter-balance the other two"—the United States of America and the United States of Europe. He would fain see an Imperial Tariff Commission to "frame schemes of compensation for countries and industries from a central pool, which would relieve any slight temporary disadvantages which might occur while the broad schemes of organization were proceeding. It could provide loans and facilities for the commercial, industrial, and agricultural development of the dominions, crown colonies, protectorates, and mandated territories on a large scale."

Sir Alfred's article leads the Canadian Gazette, of London, to suggest: Why should not the Associated Chambers of Commerce of the Empire make *this theme* the subject of an early *empire* conference of business men? The Gazette also says: "No one knows better than Sir Alfred Mond what is going on behind the scenes in the way of "big business" and exclusive world-compacts with the United States and Germany as leaders. The British coal stoppage has given them much help. Delay, says Sir Alfred Mond, " is dangerous, and may be fatal.

* * *

NOW that the Liberal Conservative government of G. Howard Ferguson has been returned to office in Ontario, The Financial Post cannot be charged with intruding into the field of provincial politics, as it was so charged at the opening of the campaign if it pays a little tribute to the able administration Mr. Ferguson and his colleagues have given to the affairs of the province. The Ferguson government deserved to be returned to office on their record to date, regardless of the major issue in the election campaign just closed; as to which was the better method of enforcing temperance, the O.T.A. or the government control of liquor sales as proposed.

They succeeded a government that had a well meaning and, in large measure able head, Ernest C. Drury. Drury was unable to control his followers, with the result that graft and corruption attacked the vitals of governmental administration. Drury's administration coincided with the end of the great constructive programme in the hydro-electric enterprises of the province. The triple combination of reckless and crooked spending on public institutions and highways, of high costs of all materials and services purchased with public or private money; and of insufficiently controlled investment in state-owned business enterprises was sufficient to run the provincial debt to staggering heights, to create enormous deficits in current finances and to seriously jeopardize the province's future. It might have been worse. Drury saved Ontario from the investment of around two hundred millions of dollars in interurban electric railway lines at a time when such lines were entering upon their evil days. Whatever the faults of his administration that remains to his credit. Its most serious shortcomings were not due to Drury, but to our out-of-date administrative system, which limits a premier in making up his cabinet to elect representatives and prevent him going outside parliament to find the best material.

* * *

THE Ferguson government inherited many evils. By economy and control they have gradually reduced the yearly deficits; by accepting expert advice, they have put the provincial debt on a basis of reasonable certainty of retirement and they have done both these things without seriously curtailing any public activity of merit. Their work was hardly finished when this last election was precipitated.

(Continued on page 4)

Great Britain's Return to Prosperity Depends on Trading in Empire

Business Conditions Are Bad in Britain and Sharp Change in Economic Policy is Needed — Will It be Toward Imperial Relations or in European Line-up?

By HORACE T. HUNTER,
Vice-president, The Financial Post.

BUSINESS conditions in Great Britain are not good. There is general agreement on this diagnosis. The cause of the trouble is readily discernible but the remedy is hard to find.

London and the district around it is an outstanding exception. Here merchants are prosperous, and newspapers are breaking all previous records on gross revenue and net profits. Theatres are booked up far in advance, and hotels and restaurants exhibit a lavishness of expenditure not equalled in any other capital. In the best restaurants food is now dearer than in New York.

What is the explanation? Simply this: The wealthy people of London do not draw their revenue from enterprises in Great Britain but from investments abroad. Then, too, there is always a tendency for wealthy people to come to a great centre for amusement and to satisfy their epicurean tastes.

Three years ago I visited many of the industrial centres of Great Britain and talked to all classes of business men. At that time there was much unemployment and taxes were very heavy, depreciation of currency in other European countries was making it difficult for Great Britain to compete on manufactured goods either in her home markets or in foreign countries. Labor in Great Britain was very restless and inefficient. There was a feeling, however, that this was a passing phase, and that the pendulum would shortly swing in the opposite direction.

Depression Due to Lost Markets

To-day most of the thoughtful business men and economists with whom I talked feel primarily the business depression in Great Britain is not due to the war, the strikes or depreciated currency of foreign countries. These things have undoubtedly affected the intensity of the depression, but the cause ante-dates the war and is due to lost markets which will never be regained.

These lost markets may be replaced by increased trade with other countries or it may be Great Britain's place in the business world will be determined by her development of shipping and banking, in both of which fields she still holds leadership.

During the first three quarters of the 19th century, Great Britain was the workshop of the world. Her mercantile marine brought raw material to her factories and carried back finished products. Vast fortunes were made by manufacturers, shipbuilders, and shipping interests. This capital was used to build railroads in foreign countries which in turn resulted in great development in these countries and increased trade for British firms.

During the last quarter of the century some of Great Britain's best customers adopted policy of protection and proceeded to build up industries to supply their own needs and to be keen competitors in the markets of the world.

Before the outbreak of the war in 1914, the United States and Germany had altered their chief economic interests from agriculture to industrial production. Canada and Japan were going through a similar evolution.

Great Britain's Declining Trade

The following table shows how Great Britain's percentage of trade steadily decreased in these countries from 1870 till the outbreak of the war:

Great Britain's Percentage of Import Trade	1870	1880	1890	1900	1910	1913	1923
U. S. A.	34.8	31	23	18	17	15	10.6
Germany	..	12.6	14	12	8	8	....
Japan	42.5	53	32	25	20	16	....
Canada	59	48	38	24	25	20	17

A similar loss of trade occurred in Russia, Italy, Spain, Argentine, Netherlands and China. The trade which Great Britain has lost has been for the most part divided between United States, Germany and Japan.

Great Britain's Percentage of Import Trade	1870	1880	1890	1900	1910	1913	1923
Russia	33.9	26	24	20	14	12	11.4
Argentine	27.2	27	41	34	31	31	22.7
Italy	26.8	21	23	21	14	16	11.1
Spain	30.4	20	20	25	18	17	....
Netherlands	34.2	24	21	14	9	8	16.4
China	37	26	19	20	14	16	13

In Sweden, Denmark and Brazil, Great Britain has held her percentage of the import trade:

Great Britain's Percentage of Import Trade	1870	1880	1890	1900	1910	1913	1923
Sweden	22.5	27	28	33	24	24	22
Denmark	25	23	21	20	18	16	18
Brazil	..	..	..	28	28	24	25

Empire Trade Holds

Great Britain's trade in the Empire has held up much better than with foreign countries. In fact, if it were not for this trade the depression and consequent unemployment would be much worse in Great Britain than it is to-day.

Great Britain's Percentage of Import Trade	1870	1880	1890	1900	1910	1913	1923
India	65	65	75	68	60	60	57.5
Australia	61	83	67	52	50	51	52
New Zealand	58	56	67	61	61	59	55
South Africa	..	..	..	67	61	56	52
Canada	59	48	38	24	25	20	17

Canada's imports from Great Britain have steadily declined but our export trade to Great Britain has increased enormously and is capable of tremendous development. Exports to Great Britain from other Dominions have also shown big increases. This is very significant for as the export trade of the Dominions increases they become a more attractive place for settlers from the Motherland.

Leadership Lost in Many Climes

These figures deal only with percentages. In total volume. Great Britain's export trade has kept up, but the increased demand for manufactured goods in all parts of the world has enabled other countries to show big increases in volume of trade. In many countries, Great Britain has declined from a position of leadership to the necessity of taking second place to the United States, Germany or Japan.

F. L. McDougall, to whom I am indebted for the figures given above, draws the conclusion in an excellent treatise called "Sheltered Markets," that Great Britain's future lies in developing the markets of the Empire by encouraging emigration to these countries and establishing preferential arrangements with them which will retain for her the supremacy in

(Continued on page 21)

Nickel is Cheap for Long Haul

Appreciation in the market price for International Nickel in the last few days may be in response to a feeling that better things are in store for the shareholders. The company's fiscal year now corresponds with the calendar year, so that the investing public is beginning to wonder what the annual statement and report will contain.

International Nickel increased its surplus by $2,000,000 in the nine months preceding last December 31st, and it is known that business in 1926 has been better. Viewing the stock from the long-haul viewpoint, many competent observers consider it a bargain at present levels.

B.A. Oil Announces Split in Its Stock

The secret favorable influence that has been boosting the stock of British-American oil for several weeks is revealed with the call of the directors for a special general meeting of shareholders to pass on the question of splitting the stock four for one. At the same time, a dividend notice reaches shareholders announcing a bonus of 50 cents the share for the final quarter of 1926, payable January 2 to shareholders of record December 15.

Third dividend makes the rate for the year $3, or 12 per cent. on the par value of $25.

ALCOHOL MERGER AWAITS BUT FINAL FORMAL DETAILS

Such is Montreal Version of Big Canadian-Walker Deal

ARRANGE FINANCES

Forecast Public Offering of Securities in Gigantic Distillery Merger in Canada

From Our Own Correspondent.

MONTREAL—While no deal is closed until the signatures are all on the dotted line, yet is is understood that Canadian Industrial Alcohol and the Hiram Walker Company merger is to all intents and purposes, assured and that the negotiations still unconcluded are of a purely formal character only. It is understood also that the negotiations leading the consumation of the deal are so far advanced that much of the work in connection with the financing of the undertaking has already been completed. This is the information which reaches The Financial Post from those close to one of the two companies interested in the deal. No official information has yet been vouchsafed the the public, but it is understood that the actual consummationof the long drawn out negotiations is a foregone conclusion.

Sir Mortimer Davis, who is the chief actuating force behind Canadian Industrial Alcohol, has arrived in canada—rumour indicates that he is here to play his part in the final negotiations. For the past month or two it is said that the Davis interests have had their accountants going over the books of the Hiram Walker Company in Walkerville, Ont.

Will Be Some Financing

There still appears to be some doubt as to whether or not the Walkerville Company will be merged with Canadian Industrial Alcohol or whether it will simply be acquired by the Davis interests. The details of how the new financing will be accomplished are still unknown. It is said that certain New York interests will be involved when the final picture is presented to the public gaze.

If as and when the Hiram Walker Company comes under the aegis of "Alcohol," the results should prove satisfactory to the shareholders of the latter for there is said to be more or less of a world shortage of well matured whiskies—the demand during the past few years, coupled with the reduced output during the war period brought about this condition. The Hiram Walker Company, unlike many other distillers, has extremely valuable stocks on hand. Moreover the out- of the plant enjoys a world wide reputation especially the "Canadian Club" and "Imperial" brands. Such an association should prove of value to the Canadian Industrial Alcohol Company in the future.

"Some" Investment

The shares of the Canadian Industrial Company were first introduced to investors on the Montreal Stock Exchange in 1923 at $11.50 per share. Since that date the stock has been split two for one and the original shareholders who purchased the stock at that time now hold for each original share of $25 par value two shares of no par value which at present market prices represent a profit of around 500 per cent. over the last three years. A more than satisfact-

(Continued on page 16)

Canadian Purchasing Power Up $50,000,000

Estimate made for The Financial Post Survey 1927, shortly to be published, shows gross revenue of Canadian productive industries to be $5,656,241,624 for the current year. This represents an increase in the purchasing power of Canadian people of over $50.000.000 from 1925.

Agriculture shows a lower revenue, the decline being less than $30,000,000 however, which is to be regarded as highly satisfactory in the face of the spotty results in many groups of products. Forestry revenue shows a slight decline, the immense gains in the pulp and paper industry being more than offset by declining lumber production. Every other line of activity in Canada shows gains.

Improvement in purchasing power is concentrated in six provinces, three provinces, Ontario, Quebec and Alberta, showing slight declines in revenues.

Actual improvement in the physical volume of production in Canada is greater than the figures indicate as the price level has been lower this year than last.

Summary of the figures prepared for The Survey, and which are there being published in great detail, is as follows, with comparisons over a term of four years.

Gross Revenue by Provinces

Province	1923	1924	1925	1926
Prince Edward Island	$ 22,692,692	$ 24.675,000	$ 25.200.000	$ 30,023.980
Nova Scotia	169,069,112	166,000 000	175,000,000	181,004.610
New Brunswick	128.569.024	124.050.000	131.500.000	136 254.660
Quebec	1,239,158,892	1,250,000,000	1.320 000.000	1,310,337,040
Ontario	2,187.229,479	2,350,565 000	2,425,000,000	2,400.092 606
Manitoba	202,478,428	280,750,000	295,750,000	323.598 388
Saskatchewan	336,458,857	424,500,000	451.500 000	499 289 976
Alberta	301,105,188	373.873 000	398,873,000	361,414,710
British Columbia	354,697,808	352,700,000	371,140 237	408.897,996
Yukon	5,503,853	5,650,000	5,950,000	5,237,658
Total	$4,946,900,333	$5,352,763,000	$5,599,913,237	$5,656,241,624

Gross Revenue by Industries

Province	1923	1924	1925	1926
Agriculture	$1,350,156,000	$1,453.368.000	$1,708.567.000	$1,677.520 360
Forestry	426,696,350	426,000.000	456,000,000	450,000 000
Fishing	42,565,545	44.534,000	50.500,000	54 781,000
Trapping	16,164.559	15.786 000	15,000.000	15.618,600
Mining	214,079,331	209.516,000	224.846 237	237,921.164
Electric power	91,141.296	94.560.000	95,000.000	98,600 500
Construction	324,745,798	325,000.000	350,700.000	370,000,000
Manufactures	2,481,351,554	2 695,053,582	2,700,000,000	2,751,800,000
Total revenue	$4,946,900,333	$5,263,817,582	$5,599,913,237	$5,656,241,624

Monarch Knitting Earnings Improve in 1926 Over 1925

Company Makes More Sweaters Than Last Year: Business Better

TARIFF STILL HURTFUL

But Drag of Unprofitable Buffalo Subsidiary is Removed and Loss Written Off; Company Started in Small Way

By Staff Editor.

DUNNVILLE, Ont. — Monarch Knitting Co. shareholders have been approached in recent weeks by salesmen for mining-stock brokers with the suggestion that Monarch shares, now marketable through the Toronto exchange at around 50, be traded for speculative mining shares. The basis of the trade would fix a value of 30 for the Monarch preferred, even if it could be admitted that the mining stock offered were stabilized at the named price.

Monarch preferred shareholders have not had any dividends since April, 1925, and the outlook is that they will remain in arrears for some time. Shareholders are naturally impatient, but any of them will be shown unwise or ill-informed if they part with the stock under the price quoted on the Toronto exchange. Preferred shareholders originally got a bonus of 15 per cent. common. Very little of this stock is floating, however, being held mostly by officers of the company. The common for a time paid 4 per cent. dividends but none have been declared since 1920.

Shareholders who have been approached with such dubious intent have been women, in nearly all instances, it is indicated by letters received by the company and also by The Financial Post. The traders evidently believe that women investors are not so well-informed on investment subjects as men. The effort to unload mining shares on such a trade apparently has not been successful to any extent as few transfers have been registered, according to information received.

Burns Sees Improvement

In a form letter to shareholders suggesting that if they would dispose of their stock, the best market would be found through the Toronto Stock Exchange, General Manager J. A. Burns says that business has improved somewhat in the past year, despite the disadvantages of the tariff. He predicts that the annual report, which will be available early next year, will show some improvement over the year 1925.

A visit to the head office, conversation with various officials, and inspection of the principal works at Dunnville, as well as study of the company's record and appreciation of its difficulties, inculcates a belief that Monarch's record for this year and next, assuming that there will be a fair degree of national prosperity, should be satisfactory from the viewpoint of the preferred shareholders. It would be rash to predict the arrears of dividends will be cleared up soon. But a steady improvement in the company's financial condition can be forecast.

Dunville, at least, has great faith in Monarch. It is the principal industry of the town and the fluctuations in its payroll are immediately reflected in the income of the residents of the community. The district for miles around smiles when the red-brick four-storey factory buildings on Canal Street West are known to be working full time or overtime.

Town gossips will admit that Monarch has knit more sweaters this year than last. From a more authoritative source it was learned that, while the trade is spotty, the average for the industry is probably 20 per cent. better than last year. The 1925 sales had dropped 9½ per cent. from the

(Continued on page 23)

Loewenstein Said to Have Canadian Company Now

From Our Own Correspondent

MONTREAL. — The Hydro Electric Securities Corporation has been granted supplementary letters patent which increases its capitalization to $50,000,000. This has been done through increasing the capital stock by 500,000 shares of 6 per cent. preferred shares having a par value of $100 and the issuance of 1,999,000 shares of no par value. It is understood that the Hydro Electric Securities Corporation has been incorporated by the Lowenstein interests, who purpose making an offering to the Canadian shareholders of Brazilian. Such an offer might simply be an exchange of stock in Brazilian for shares of the Hydro Electric Securities Corporation.

Plan Big Power Plant on Back River, Montreal

From Our Own Correspondent

MONTREAL.—Indications point to further power developments in the vicinity of the city of Montreal. The power site on the Riviere des Mille Isles, sometimes called the Back river which until recently was owned by the Masson estate, has been sold to R.A. P. Whiteford for $300,000. Other interests, said to be associated with Nesbitt, Thomson and Company, at the auction sale of the power site, bid $296,000 for the property.

It is understood that the new owner of the power site also owns the riparian rights on both sides of the river and owns also the islands which would be affected by the development of power. This means that the present owner has all the power rights between St. Eustache and the point where the river joins the St. Lawrence below Montreal.

It is understood that Mr. Whiteford intends to proceed with the development of power at this point, and that the power so developed will be utilized in a new pulp and paper mill which is to be erected. No announcement has as yet been made regarding the other interests associated in the projected power and paper undertaking.

Brazilian Now Steady Over 100

Expected spectacular activity in Brazilian on the Toronto and Montreal exchanges so far has failed to materialize. The letter to the shareholders signed by Sir Alexander Mackenzie, the president of the company urging them not to fall in with the Lowenstein proposal, apparently was effective in preventing a wholesale movement in the direction of the so-called Montreal crowd.

On the other hand, it is noted that a fairly considerable number of shares is on the two markets each day and that they are readily bought at about the level which prevailed before the Lowenstein offer was made public This may indicate that some group is buying as rapidly as the market will permit without enhancing the price further. Many who have been holding the stock as investment have been choosing this time of fairly good prices to unload in order to acquire other securities fraught with less disturbing possibilities.

Yet this viewpoint is overlooking the fact that Brazil is politically as stable as many another country into which foreign funds pour freely for investment and that Brazillian is a substantial, well-managed organization with onerous assets and franchise rights of great value which should hold a good future.

CHRISTIE STOCK IS STRONG; TRADE GOOD

Report For Nine-Month Period Shows Improvement Over Last Year

Christie, Brown & Co., Toronto, sold 1,182,078 pounds of biscuits more in the first nine months of 1926 than in the corresponding nine months of last year. The fact that the company has been doing a very good business probably accounts for the rise in the stock at New York from around 30 to 37.

The nine-months' operating statement published in The Financial Post of October 29th showed a surplus as at September 30th of $75.510. as compared with a surplus of $7.620 as at January 1st. The net operating profit for the nine months was $209.285. Reserves for income tax. interest on first mortgage bonds, dividends on preferred and common stock total $142,554.

Investor's Index

Algoma Steel	11	Laurentide	6
Arnold Bros.	9	Manitoba Paper	13
Asbestos Corp.	16	Mattagami	6
B. A. Oil	1	McColl Bros.	12
B. C. Fish	4	Monarch Knitting	1
Besco	7	Nat. Cash	11
Brazilian	1	Nat. Debenture	11
Can. Frbks.-Mrse	12	Quebec Railway	12
Can. Ind-Alco.	1-8	Sher. Williams	7-8
Canada Paper	6	Shred. Wheat	11
Can. West. Gas	8	South. Canada	8
Christie-Brown	1	St. Law. Fl'r.	11
Dominion Coal	4	St. Maur. Valley	6
Ford of Can.	11	Wabasso Cotton	24
Inter. L. & P.	22	Wayagamack	6
Inter. Nickel	1	Winnipeg Electric	8

MINES

Abana	17	K-Hudson Bay	20
B. C. Mines	17	Lake Shore	20
Baldwin	19	Laval	18
Barry-H	20	Millcrest	20
Boischatel Dev.	17	Mining Corp.	20
Boischatel Mines	19	Noranda	17-19-20
Central Man.	19-20	Ontabec	20
Corona	18	Porc. Grande	20
Dupfat	17	P-Kirkland	20
Eldorado	20	Premier	20
Fiske	17	Rouyn Gold	20
Fisher Quebec	17	Stadacona	20
Int Nickel	19	Teck-Hughes	19
Hay-Conver	18	Towagamac	17
Kirk. Gold	19	Vipond	19

Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Canadian Purchasing Power Increases $50,000,000.
Automobile Output and Sales Large
Construction Contracts Break Previous Records
Railway Earnings and Car Loadings Increase
Wheat Prices Slump But Grain Moves Out

INCREASE in Canadian purchasing power measured in dollars this year is not as great as it was a year ago, but when allowance is made for the general decline in prices, Canadian productive revenue, which will translate itself into the purchasing power upon which 1927 business will be built, shows an increase.

Estimates by The Financial Post place the value of Canadian production this year at $6,656,241,624. This compares with $5,599,913,237 a year ago. The increase is about $56,000,000. The increase in 1925 over 1924 was over $336,000,000. Some disappointment as in agriculture, lack of sustained activity in lumbering and the comparatively slow return to prosperity of industry in the great factory belt of Ontario and Quebec are the factors that prevented the year's revenues from showing a larger increase.

The figures promise a continuation of present gradually expanding revenue into 1927.

The evidence of the Financial Post's figures is supported by the Dominion Bureau of Statistics which states that "it is now evident that the volume of Canadian business during 1926 will have attained a very much higher level than in any preceding year."

Automobile Output in Canada

Production of automobiles in Canada showed a seasonal decline during October when the output numbered 14,670 cars, a decline of 16 per cent. from the September production of 17,495 cars and a drop of 3 per cent. from the output of 15,113 units reported in October, 1925.

For the ten months ending October, the Canadian production of automobiles totaled 187,536 in number and the aggregate sales value, f.o.b. plant, was $114,450,116, as compared with an output of 142,567 units worth $92,434,978 during the corresponding period of 1925. This year's output to date included 64,317 open passenger cars, 7,082 closed passenger cars, 26,214 trucks, 18,787 chassis and 136 taxicabs or buses. Of the 18,787 chassis, 9,986 were intended for passenger cars, 6,780 for truck service, and the balance, or 2,021, included those designed for either passenger or truck service and some unassembled chassis for export.

During the month under review production of automobiles in Canada numbered 14,670 and imports into Canada amounted to 1,488, making an available supply of 16,158, but as 7,546 were exported the apparent Canadian consumption for October was 8,612 cars. For the year to date the apparent consumption was 153,873 cars.

Construction Breaks Record

Construction contracts awarded in all the cities, towns, villages and rural districts throughout Canada, during November, according to figures compiled by MacLean Building Reports, totaled $34,972,800 compared with $43,384,600 in October and $46,972,800 in November, 1925. The total for the eleven months of 1926 is $359,222,800, compared with $285,297,700 during the corresponding months of 1925 or an increase of 25.9 per cent., and with $247,393,300 for the first eleven months of 1924, or an increase over that year of 45 per cent. The total for this year to date exceeds even the corresponding figure for 1923, which ended with the largest total for recent years by 22.7 per cent.

Construction work has been undertaken in the Western Provinces on a scale not approached since 1919. Every province has contributed a big portion of the increase. The Prairie Provinces where new work in recent years ran along at a low level show gains proportionately higher than British Columbia, although the totals are smaller. British Columbia has enjoyed good building years right along. The improvement shown this year in construction in those provinces is the first step toward still better building years. The wheat crops alone, in spite of unsuitable weather are expected to return as many or more dollars to the growers than they did in 1925, so continued development on broad lines is looked for.

Higher Coal Output Shown

Areas in Canada depending chiefly upon the coal mines for their local prosperity are benefiting from the increased production of the mines. This is due not only to improved markets in Canada but to the temporary gains made in British and foreign markets as a result of the British coal strike, which is now over, but which continues to show its effect upon Canadian trade. Output of coal in September, for instance, was eleven per cent. higher than the average for that month in the five preceding years. All of the coal producing provinces showed gains in September over August and Nova Scotia, Alberta and Saskatchewan individually bettered the five year average.

In the industrial areas of Montreal and Quebec, increased importations of bituminous coal from the United States reflect the increasing activity in factories. Imports of bituminous coal for the first nine months of the year amounted to just under 8,000,000 tons as against the previous five year average of 7,600,000 tons.

Bank Debits Downward

Some slowing up of business in Canada in October might have been the explanation of the decline in bank debits for the month. However, two explanations could be offered: one, the decline in prices during the year, and the other, a decline in bond activity at Toronto, the government and municipal bond centre.

Bank debits in October were 1.4 less than in the corresponding month of 1925, and after seasonal adjustment a decline of 7.6 was shown from September last. The total in September as reported to the Dominion Bureau of Statistics by the Canadian Bankers' Association was $2,830,800,000, as compared with $2,872,000,000 in October and $2,357,000,000 in September last.

Bank clearings in October were $1,648,177,107, as compared with $1,710,200,866 in the corresponding month of 1925 a decrease of nearly 4 per cent.

Bank debits were the important index to show a decline in October.

C.N.R. Canadian Lines Improve

A healthy feature in the increased earnings of Canadian railroads is the fact that the Canadian lines of the C.N.R. are now contributing the major portion of the increased net earnings of the system. C.N.R. Canadian lines in the first nine months of the years 1925 and 1926, earned net:

1925	$6,777,753
1926	17,509,729

This was almost a three-fold increase.

C.N.R. American lines earned:

1925	$5,548,010
1926	8,233,605

This increase was good, but not as large as in Canada. In the past the Canadian National Railways earned a large part of their surplus on their American branch lines, but to-day, the Canadian lines are carrying the higher proportion of the load of increasing earnings to the point where all expenses, operating and fixed, will be met.

Car Loading Still Large

Car loadings during the week ended November 20 showed an increase over the previous week's loadings, which were affected by the holiday, of 3,734 cars, but were only 194 cars above the loadings of the week ended November 21, 1925, which was the high record for the last year. The eastern division showed an increase over last year's loadings of 2,801 cars, making gains of 1,445 cars in merchandise, 912 cars in miscellaneous freight, 575 cars in grain and smaller increases in other commodities except coke, lumber, pulpwood, other forest products and ore, which showed small decreases. There was a slump of 3,189 cars of grain in the western division which more than offset gains of 238 cars of miscellaneous freight, 153 cars of merchandise and 111 cars of ore, and with minor differences in other commodities, brought the total loadings for the division to 2,607 cars below the 1925 loadings.

Merchandise in less than car load lots, a fair indicator of movements for wholesale and retail trade, continued to run at about 1,200 car loads a week over 1925, the total for the week to November 20 being 17,872 car loads against 16,274 car loads in the same week a year ago and the total for 1926 to date being 757,670 car loads as against 707,209.

The significance of the figures is that 50,000 car loads, or 1,000 train loads of merchandise have been loaded this year in Canada, over and above the figures for 1925 to a similar date.

Grain Movement Up To Normal

The grain movement from Western Canada has apparently caught up with normal after serious delays, due to weather conditions. Grain receipts at the head of the lakes totaled 129,868,524 for all grains to November 19. While this figure was smaller than the 1925 figure of 141,218,079, the fact that the crop yield was smaller must be taken into consideration. The movement of grain via Vancouver and Prince Rupert has not yet gained the same scale as last year, shipments have totaled 5,310,965 bushels as against 11,438,176 bushels a year ago.

Wheat prices have slumped badly, chiefly due to increased estimates of production in foreign countries. The Winnipeg cash price was $1.37 last Saturday and has since declined further.

In wheat a bearish situation exists the world over, with supplies in leading surplus producing countries in excess of 900,000,000 bushels. Estimated import requirements of Europe are about 700,000,000 bushels, which would show an apparent excess of 200,000,000 bushels in supplies over requirements. However, Europe entered the present crop season with no carryover and the indicated excess this year should enable her to replenish reserves. There has been a decline around 14 to 15 cents in wheat values within the last few weeks and they are down to the lowest of the season so far, which should discount bearish conditions for the time being. The most bearish feature in the wheat situation at present is the movement in Canada where farmers are selling better than an average of 3,000,000 bushels a day and supplies are piling up rapidly. Moreover, damage to crops in the Canadian West have been exaggerated and the grain there is in better condition than had been expected.

Sheep Industry in Healthy State

The sheep industry is in a healthy condition, according to the general opinion expressed by visitors at the exhibit of the Canadian Co-operative Wool Growers at the recent Royal Agricultural Winter Fair. This exhibit which featured the various grades of wool from every section of the country, stockmen's supplies, and woollen goods made from Canadian wool, was a mecca for sheepmen from the Pacific to the Atlantic.

Western men, particularly, were agreeably surprised at the strength of lamb prices, making sales of their season's crop for more than they expected. There were no complaints about the slowness of wool sales this season, it being generally recognized that a very difficult market has been faced all year.

"Lambs and hogs are the two bright spots on the live stock horizon today," stated Dominion Animal Husbandman George B. Rothwell. "Personally, I would not worry much over the future of these, particularly lambs. Hogs may fluctuate a little—they always have—but the immediate prospects, in my opinion, point to relatively strong markets for both.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925	
Car loadings, week Nov. 20	78,770	78,576+	0.2%
Year to date	2,879,528	2,616,296+	10%
Merchandise shipped, year to date	757,670	707,209+	7%
Building permits—October (63 cities)	14,614,543	11,312,644+	29%
Construction contracts awarded, November	34,972,800	46,972,800—	26%
Railway Earnings—Ten Months—			
C.P.R. gross	158,709,494	144,243,276+	10%
CP.R. net	36,579,221	29,079,949+	26%
C.N.R. gross.	217,047,034	196,444,081+	10%
C.N.R. net	34,060,792	20,485,721+	66%
Pig Iron Output—tons, October	70,124	74,013—	5%
Steel Ingot production, October tonnage	65,542	108,868	
9 months to October 31	664,084	617,137+	8%
Employment—November index	102.8	97.1	
Newsprint production—October tonnage	168,860	137,506+	22%
Automobiles produced—(10 months to October 31)	187,536	142,567+	31%
Immigration, 9 months, to September 30	112,835	67,878+	67%
Business failures—No. of firms, 9 months to Sept. 30	1,513	1,538	
Liabilities, 9 months	19,191,301	26,550,375—	27%
Imports of key commodities, 12 mos. ending August 30—			
Rubber (raw, in pounds)	**46,189,124**	**38,898,355+**	**19%**
Cotton (in pounds)	**135,273,867**	**112,347,584+**	**20%**
Crude petroleum (in gallons)	**601,312,867**	**499,059,190+**	**20%**
Exports of key commodities (12 mos. end. Aug. 30—			
Canned salmon, lbs.	**637,886**	**770,055—**	**17%**
Newsprint, cwt. (12 mos. end. Aug. 30)	**32,384,966**	**26,314,055+**	**23%**
Wheat flour, bbls. (12 mos. end. Aug. 30)	**10,671,868**	**10,228,177+**	**4%**
Wheat, bushels (12 mos. end. Aug. 30)	**269,761,912**	**154,110,268+**	**75%**
Grain receipts, Aug. 1 to Nov. 19	165,062,095	176,038,100—	6%
Bank clearings, November	1,732,877,285	1,666,827,443+	4%
Savings deposits, Sept. (chartered banks)	1,343,116,753	1,268,554,097+	5%
Current loans, Sept. (chartered banks)	959,889,525	903,717,736+	6%
Exports, 12 months to October 31	1,293,639,169	1,198,546,389+	8%
Imports, 12 months to October 31	991,114,109	865,165,383+	14%
Balance of trade, 12 months to October 31	302,525,060	333,381,006—	9%
Price level, October index, 236 commodities	151.1	156.0	
Pig iron (Number 1 foundry) Nov.	25.80	Nov. Aver.)	26.85
Cattle—Good, Toronto, Nov. 29	$6.50	Nov. (Aver.)	$6.81
Wheat, No. 1, Nor. Winipeg, Nov. 29	1.34	Nov. (Aver.)	$ 1.42
Hogs—Select, Toronto, Nov. 29	10.15	Nov. (Aver.)	$12.35
Bond sales, 10 mos. to Oct. 30	527,319,576	424,862,364	

JOHN NORTHWAY, whose election to the directorate of Imperial Bank of Canada sees him stepping into his father's shoes for the second time in his life. Some years ago he succeeded his father as president of John Northway and Sons, wholesale and retail dry goods merchants. His father's recent death opened a vacancy on the Imperial Bank board which he now fills.

Gives Business Forecasts of Railway Leaders

From Our Own Correspondent.

MONTREAL.—The forthcoming number of Investment Securities, published by the National City Company, Ltd., will contain an article which presents the business forecasts of the heads of the two great Canadian railways and of several leading railway men in the United States.

The article says in part:

"The conduct of a transportation system with widely extended lines, its intimate connection with every phase of commercial activity both at home and abroad, makes its executives exceptionally alive to the trend of general conditions. They are in a position where they have under constant review each circumstance and combination of circumstances affecting the country, and they can take barometric readings with a degree of accuracy that serves to indicate whether we are heading toward fair weather or foul."

The article quotes E. W. Beatty and Sir Henry Thornton as follows:

"E. W. Beatty, president of the Canadian Pacific Railway: Barring crop failures or partial failures which are not anticipated, the earnings of Canadian railways in 1927 should be quite satisfactory. An optimistic forecast is more justified now than formerly because of the generally improved conditions throughout the whole country and the healthy state of the country's business. I am one of those who believe that this improvement should continue for some time to come and that agricultural and industrial prosperity, with the greater buying power which that involves, should show a gratifying result in car loadings and consequent earnings.

"Sir Henry Thornton, president of the Canadian National Railways (on returning from a recent extended tour of the road: ...... In all the territory visited between Montreal and the Pacific coast, including a dozen or more cities, there existed the quiet, firm spirit of optimism that indicates good business conditions. There is no boom under way, but a healthy expansion in trade and agriculture is going on, and this should gather momentum during the next twelve months instead of slowing up .... With the officers accompanying me, I have returned with a renewed feeling that Canada is proceeding in an orderly, sane, and sure manner towards a great future."

Ban Billboards From Provincial Highways

Steps will be taken immediately to remove all advertising signs from British Columbia's provincial highways, Hon. W. H. Sutherland, provincial minister of public works, stated at the conference of officials of the government, municipalities and Automobile Club of British Columbia. With the exception of one company which still has a year's contract to run, this will apply to all advertising on sixty-six-foot sections on each side of highways. This is the first move to make the highways of British Columbia places of beauty.

BENNETT, HANNAH & SANFORD

Barristers, Solicitors, Etc.
Calgary, Alberta—Canada.
Hon. R. B. Bennett, P.C.K.C.
P. L. Seaford, B.A. A. Hannah,
O. H. E. Might, E. J. Chambers, LL.B.,
H. G. Nolan, M.C.M.A.

Serving a Vital Commercial Need, Honestly, Adequately and Economically

Bearing in mind that true credit is based on Character, Capacity, Capital.

The Mercantile Agency
R. G. DUN & CO.
17 Offices in Canada

A. M. Mahaffy
Limited
Real Estate Auctioneers
Subdivisions, Tracts of Lots, Industrial Plants, Business Properties, Timber Limits, Mines, etc.
SOLD AT AUCTION
Office,
2 Court St., Toronto 2, Ont.

Coming Profits

Our next Market Bulletin will show 5 listed New York stocks which are in good physical position, now selling 100 per cent. under price of 1925. Write today for FREE Bulletin P4.
H. C. SCHAUBLE & CO.
63-65 Wall Street New York

CANADIAN BANK NOTE COMPANY
LIMITED
Engravers and Printers
BANK NOTES AND CHEQUES
CORPORATION BONDS
STOCK CERTIFICATES
MUNICIPAL DEBENTURES
AND OTHER
MONETARY DOCUMENTS
Head Office and Works
224 Wellington Street, OTTAWA
Branches
MONTREAL TORONTO

Capital: $1,000,000
Reserve: 350,000
Complete Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults
THE EASTERN TRUST COMPANY
Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

Your Business

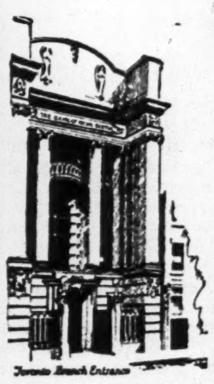
Total Assets in Excess of $750,000,000

TAKE the local manager of this Bank into your confidence and let him co-operate with you for the success of your business.

Head Office: Montreal

Branches in all Important Centres in Canada
Savings Departments in all Branches

Bank of Montreal
Established 1817



Toronto Branch Entrance

In Ottawa

The Bank of Nova Scotia is particularly well represented in Ottawa and surrounding district, having ten branches in the city itself and one in Hull. Credit and trade information of a comprehensive nature, and efficient collection service, is thus assured to our customers.

THE BANK OF NOVA SCOTIA
Established 1832.
Capital $10,000,000. Reserves $19,500,000.
Total Assets $240,000,000.

The Weyburn Security Bank
Chartered by the Act of the Dominion Parliament
TWENTY-SIX BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; S. E. Oscarson, Fargo, North Dakota; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

JAMES R. GIBBS
BUSINESS EFFICIENCY CONSULTANT
(Sales and Marketing)
Fairhaven, Grimsby, Ont.
Telephone 88 Grimsby

Southern Canada Power Company
Limited

THIRTEENTH ANNUAL REPORT

Year ending 30 September, 1926

JAS. B. WOODYATT - - President and General Manager
J. M. ROBERTSON - - - - Vice-President

Directors
W. K. BALDWIN, M.P. A. J. NESBITT JAMES DAVIDSON
GEORGE PARENT, K.C., M.P. J. S. GILLIES CHAS. E. READ
W. H. MINER J. M. ROBERTSON R. R. MOODIE
P. A. THOMSON JAS. B. WOODYATT
L. C. HASKELL - Secretary-Treasurer

Consolidated Operating Statement

For Years Ending 30 September

(After Eliminating all Inter-Company Charges)

	1916	1921	1926
Gross Earnings	$155,452	$753,959	$1,389,131
Purchased Power	24,912	78,685	12,163
Operation	55,182	215,067	298,982
Taxes (Inc. in operation, 1916)	——	15,752	82,038
Maintenance (Inc. in operation, 1916)	——	65,405	82,387
Total Expense	80,094	374,909	475,570
Net Earnings	75,358	379,050	913,561
Bad Debts	893	429	6,930
Interest	53,878	287,886	333,068
	54,771	288,315	339,998
Surplus for year	20,585	90,735	573,563
Surplus brought forward	33,115	265,898	117,776
	53,700	356,633	691,339
Preferred Dividends Paid	——	18,280	286,074
Common Dividends Paid	——	——	100,000
Transferred to Depreciation Reserve	——	——	138,900
	——	18,280	524,974
Surplus carried forward	53,700	338,353	166,365

Supplying Light and Power to 83 Municipalities in Eastern Townships

Customers Connected

1918	1919	1920	1921	1922	1923	1924	1925	1926
8,063	9,002	10,557	12,240	13,249	15,066	16,217	18,269	20,065

C.N.R. NOW EARNS MOST OF ITS NET INSIDE OF CANADA

American Lines Produce But Third of Net Earnings To-day

While the Canadian National Railways have been able to show net earnings of $34,060,292 for ten months, it is equally a source of gratification to know that the major portion of this operating profit — about 70 per cent. of it,—is being earned on the Canadian lines of the government-owned line.

Figures showing the division of net profit for the ten months period between the Canadian and American lines are not yet available but for nine months the operating profit in Canada was $17,509,729 and in the United States $8,233,605. This is especially gratifying as a few years ago the United States lines were earning profits which were more than eaten up by losses in Canada.

Net In Year $34,000,000

Official summary of earnings and expenses, issued here today, shows that Canadian National Railways had during the month of October gross earnings amounting to $27,550,742, working expenses of $19,233,283 and net earnings of $8,317,458.

For ten months ending October 31, the traffic receipts of the system were $217,047.034 an increase of $20,602,953, or 10.49 per cent. as compared with the corresponding period of last year. The net earnings amounted to $34,060,792, in the ten months, an increase of $13,575,071, or 66.27 per cent. over the corresponding period of 1925.

The relation of working expenses to gross earnings continues at the improved level, the operating ratio being 69.81 per cent. for the month of October, 1926. For the ten month period of 1926, comparison of this feature with similar periods for five years, is as follows:—

Year	Net Earnings Per 10 mos.	Oper.ratio
1922	$ 3,882,933	97.93
1923	12,114,713	94.13
1924	10,769,664	94.49
1925	20,485,721	89.57
1926	34,060,792	84.31

FIND "BACK TO FARM" GAINING IN CANADA

Farm Lands Sales More Active and Prices Higher in This Country, Survey Finds

Farm lands in Canada are apparently more active than on the average in the United States, although across the border the general trend of farm land activity is up prices being stable, with a tendency to advance.

The National Association of Real Estate Boards made a survey of the farm lands situation on the continent and found the general situation to be as follows:

"1. Prices, though having a tendency *to advance*, are fairly stable, at a level *below* that of 1920, but higher than that *of 1914*.

"2. A greater optimism than existed last year is shown by farmers.

"3. There is a very apparent trend toward return to the farm on the part of country-born folk drawn city-ward during the period of farm depression.

"4. Ample credit facilities exist, confidence here tempered with necessary conservatism."

The survey is based on reports from 127 communities in the United States and Canada.

From Canada, 75 per cent. of the reports showed activity to be greater than last year and 25 per cent. reported sales about the same. This was the most striking improvement reported by any area.

In Canada, 43 per cent. of the reports showed farm lands moving upwards, none downwards and 57 per cent. stationary.

In Canada, 38 per cent. of the reports showed a back-to-the-farm movement under way, 50 per cent. showed no change and 12 per cent. reported their areas as suffering from depletion of farm population.

One typical Canadian report said: "There is a back-to-the-land movement in Canada. Farming conditions in Western Canada are quite promising. Good crops at fair prices during the past three years have stimulated sales at reasonable prices, and these conditions are bringing about a contentment amongst our farmers, and a steady desire generally for increased production and greater settlement of our lands."

P.G.E. REPRESENTS 50 MILLION DOLLARS

The investment of British Columbia in the Pacific Great Eastern Railway to date stands at $50,643,519, the balance sheet of the line shows according to a new audit. It fixes the investment in the main line of the railway at $50,598,224 and in investigations carried out in the Peace River country at $45,294. As against this the line has considerable assets in addition to the actual road itself.

Among these assets are real estate valued at $588,646; the Squamish hydro-electric and waterworks plant, worth $110,644; other physical property valued at $34,350; cash in the hands of the minister of finance, amounting to $2,000; cash in the bank and on hand, $56,380; agents' and conductors' balances, $20,740; miscellaneous accounts receivable, $19,948; material supplies on hand, $139,330; unexpired insurance, $12,018; and discounts on funded debt, $1,270,591. These assets, in addition to the investment in the line itself, total $2,254,552.

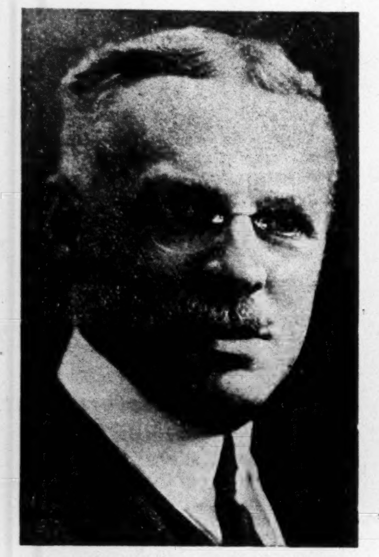
Figures recently released by Thomas Kilpatrick, manager of the road, show a substantial decrease in its operating deficit below the figure for the previous year. The operating deficit for the year ending June 30 is $274,971. The line earned operating revenues of $464,610 during the year but incurred expenses of $739,581.

Durant Motors Profits

According to information received at the Leaside plant of Durant Motors of Canada, from the head office of Durant Motors, New York, the net operating profits for the Star car for the month of September was $269,243.83 This makes a total net operating profit for the months of June, July, August and September of $1,255,742.52.

Officers of New Canadian Board of Trade

New National Business Chamber Starts Off With Excellent Group of Executive Officers



WM. G. BIRKS,
of Montreal, chairman of the Canadian Board of Trade, the newly organized national business body.

S. B. GUNDY,
Toronto, one of the chief organizers of the Board, who is its first president In these three men, the Board has the nucleus of a most able executive.

W. McL. CLARKE,
who is resigning from the Canadian Commercial Intelligence Service to become secretary of the Canadian Board of Trade.

Income Tax Problems

By an Income Tax Expert
(PROBLEM No. 1)

IN DECEMBER, 1926, a person comes to Canada for the first time, to reside. For the calendar year, 1926, must he file a return and be subject to tax on his total income from whatever source derived?

In January, 1926, another person ordinarily resident in Canada leaves Canada. Must he likewise pay on his total income of 1926?

Each actually resided in Canada during 1926 for less than one month.

The income tax law taxes persons "resident" or "ordinarily resident" in Canada. It also has a clause taxing persons "who remain in Canada during any calendar year for a period or periods equal to 183 days." Many persons reading this latter clause believe that it exempts from tax persons who reside in Canada less than 183 days.

Coming Within Letter of Law

To appreciate tax liability in such cases one must remember that a revenue law must be constructed strictly. If the person sought to be taxed comes within the letter of the law, then the tax must be imposed no mater how much from a moral or equitable point of view a hardship may seem to be imposed.

On the other hand, if the person sought to be taxed does not come within the letter of the law, then he is free. The strict interpretation of the words used must be adhered to.

Domicile has nothing to do with the question, although many are under the erroneous belief that it has. A person domiciled outside of Canada may have a residence in Canada and vice versa.

Residence is not defined in the Income Tax Act. Residence is a matter of inference drawn principally from the facts and partly from the intention of the person in carrying out those facts.

Length of Stay Unimportant

Length of stay does not determine residence, although the element of time and personal presence is important. If a person actually takes up his residence, and that is what we are discussing, he may within the shortest period change his mind, but nevertheless he has "resided," in which case he comes under the Income Tax Act. "Residing" is the thing that brings one within the scope of the Act, not "having a residence."

The one hundred and eighty three day clause was to broaden the scope of the Income Tax Act and make subject to tax those who enjoy such a sojourn in this country within any calendar year. The clause is not effective to exempt from tax those persons who actually resided in Canada during any calendar year, even though the residing may have been for but a day.

The statute requires that "every person" (within the purview of the Act) "shall . . . deliver to the minister a return . . . of his total income" from whatever source derived, that is, whether from within or without Canada.

Consequently each of the persons referred to in the opening statement are within the act, must make a return of their income from all sources for the calendar year, 1926, and pay any tax assessed and levied thereon.

It should be added that by virtue of reciprocal relief clauses contained in nearly all income tax laws of other countries, to avoid the same income being taxed twice, the resident in declaring his total income deducts from the taxes payable thereon the tax paid to the country in which the income arises.

Western Packing Absorbs Hedlund Meat Food Firm

Announcement of an amalgamation of B. C. canning interests was made by Russell Whitelaw, president of the Western Packing Corporation of Vancouver city. His company has acquired by purchase the meat canning plant of Hedlund & Co. (of Canada), of Vancouver. The consideration is reported to be $125,000.

Hedlund & Co., whose meat food products are marketed under the name of "Hedlund's Delicatessen Dishes," was incorporated under the Dominion Companies Act in January, 1926. Its cannery was completed on May 15 last, and in six months the company has attained Dominion-wide distribution of its canned meats and meat food products.

The Western Packing Corporation is a $1,000,000 provincial company, growing out of the amalgamation of five of British Columbia's leading fruit, vegetable and jam canneries, operating plants at Vancouver, Victoria, Port Haney, Kelowna and Kamloops, and St. John, N. B. The acquisition of the Hedlund plant and trade marks will round out the Western Packing corporation's line and make this concern the largest individual packers of a general line of proprietary food products in Western Canada.

B.C. Liquor Profits Over $14,000,000 Since Control

British Columbia liquor profits for the last six months' period, show a decided drop from those of the previous six months, but a slight gain over the corresponding period a year ago.

While the government's liquor business made a profit of $1,554,000 in the six months ending September 30 last, it returned $1,786,000 for the six months ending March 31 last. As against the figure for the six months ending September 30 of $1,554,000, the profits for the corresponding period a year ago were $1,551,265. In the six months previous to that the figure stood at $1,409,781, and in the six months before that at $1,279,246. Since the present liquor system started profits have totalled approximately $14,700,000. The municipalities have received $4,465,000 as their share of profits.

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

WHEN REMITTING SEND CANADIAN NATIONAL EXPRESS MONEY ORDERS

B. H. PORTEOUS & Company
Stock and Bond Brokers
Members
Montreal Stock Exchange
Montreal Curb Market
17 St. John Street
Montreal, Que.

Member of F.T.D.A.
Dunlop's Limited
CHOICE FLOWERS
8 to 10 West Adelaide St.
TORONTO
"FLOWERS TELEGRAPHED ANYWHERE"

ANGLIN-NORCROSS (LIMITED)
Contracting Engineers and Builders
MONTREAL :: TORONTO

Meet Old Friends This Christmas

YOU haven't seen them for some time—they are older now but the welcome will be the same. Step aboard a modern luxurious cabin ship and spend Christmas with your old friends. Just four days open sea.

Always carry Canadian Pacific Express Company's Travellers Cheques. Negotiable Everywhere.

The Rates are low
Enquire of your local Steamship Agent or write:
J. E. PARKER
General Agent Ocean Traffic
C.P.R. Building, Toronto

Canadian Pacific Steamships

Travelling Funds

THESE are easily and safely carried in the form of Travellers' Cheques, issued by this Bank and accepted the world over.

THE identification cards issued with them render them both safe and convenient.

THE CANADIAN BANK OF COMMERCE
Capital Paid Up $20,000,000
Reserve Fund $20,000,000

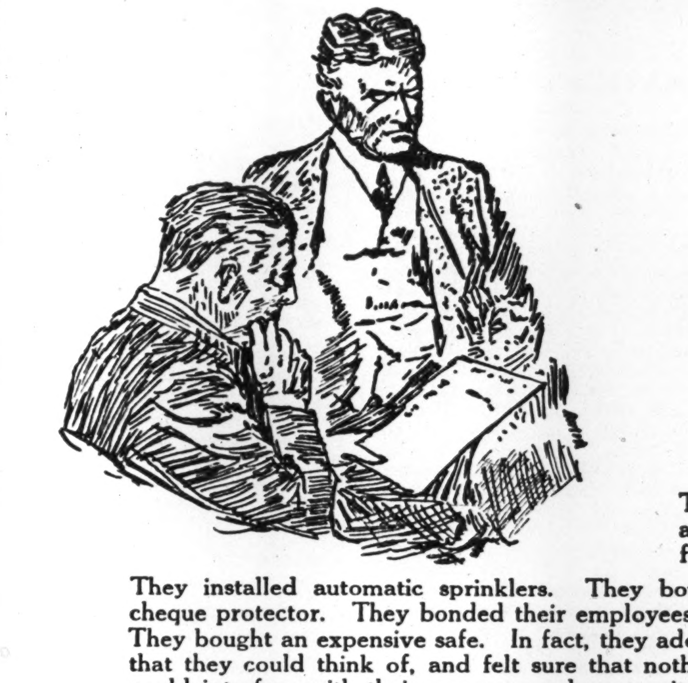
Canadian Appraisal Company, Ltd.
The Pioneer Appraisal Organization of Canada
Established 1905

DURING the past twenty-one years we have appraised some SIX THOUSAND properties, all within the Dominion of Canada and comprising the most representative industrial plants in every line of industry.
Correspondence Invited
Head Office - 364 University St. - Montreal
Royal Bank Building TORONTO
NEW YORK Equitable Building

CANADA PERMANENT MORTGAGE CORPORATION
Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
MONDAY, THE THIRD DAY OF JANUARY
next, to Shareholders of record at the close of business on the Fifteenth day of December.
By order of the Board.
WALTER F. WATKINS, Secretary.
Toronto, November 17th, 1926.

BRITISH AMERICAN BANK NOTE COMPANY LIMITED
Steel Plate Engraving and Printing, Lithographing, etc.
Producers of
Bank Notes, Bonds, Municipal Debentures, Stock Certificates, Interim Receipts, Cheques and all Documents of a Monetary Nature
Branch 11 Place d'Armes MONTREAL
Head Office OTTAWA Canada
Branch 1112 Bank of Hamilton Bldg. TORONTO



A True Business Story

Two business men in Toronto adopted several safeguards for protecting their business.

They installed automatic sprinklers. They bought a cash register and a cheque protector. They bonded their employees. They carried fire policies. They bought an expensive safe. In fact, they adopted nearly every safeguard that they could think of, and felt sure that nothing less than an earthquake could interfere with their progress and prosperity.

Business was good and the bank and the wholesale houses were giving them considerable credit.

BUT SOMETHING HAPPENED!

—something they had not counted on. Pneumonia carried off one of the partners.

And then—the wholesale firms made inquiries as to whether the business was to be continued. The bank asked to have a note taken up at maturity without fail. The widow decided to withdraw her late husband's share of the business. To make a long story short, the business was closed at a loss to the surviving member, a loss to the widow, a loss to the bank, a loss to the creditors, in fact, a loss to all concerned.

The partners had overlooked one of the most important means of protecting their business—A Canada Life Business Insurance Policy.

THE BUSINESS COULD HAVE BEEN SAVED

The spot cash in a business life insurance policy would have cleared off the bank note in full. The widow would have received the value of her husband's share without loss. The creditors would have been satisfied. And the surviving member would have had surplus cash on hand.

It is not worth your while taking chances—Ask for a business insurance proposition today.

Write Service Department
Canada Life Assurance Company
Head Office - Toronto, Canada

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
Foreign Issues quoted

DOMINION SECURITIES
CORPORATION LIMITED
MONTREAL OFFICE 189 St. James Street | Established 1901 E. R. WOOD, President | LONDON, ENG., OFFICE No. 6 Austin Friars
Head Office: 26 King Street East
TORONTO 2

Securities Markets

INVESTORS SHIFT FROM U.S. MARKET TO HOME STOCKS

Ontario Election Has Been Bull Faction in Trading

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Dec. 1	96.5	93.5
Week of Nov. 24	94.6	91.7
Month of Nov. 1925	78.5	73.7
9 Bank Stocks		
Week of Dec. 1	$226	$224
Week of Nov. 24	225	224
Month of Nov., 1925	221	218
10 Public Utilities		
Week of Dec. 1	101	99
Week of Nov. 24	100	97
Month of Nov., 1926	92	90

The Toronto and Montreal Stock Markets continue strong, while the active trading list broadens out, with greater volume of sales and greater momentum in the much traded stocks. During the past few weeks, in the early part of the present move, the advance was slow and steady. With interest becoming more tense and widespread, however, the forward movement becomes more spectacular. New highs for the year have been established in many securities such as Industrial Alcohol, Canadian Canners, Nickel, etc.

The week is also marked by a shift from American to Canadian investments. Many Canadian investors have been so impressed with the outlook for Canadian securities that they have very definitely switched their holdings and are watching opportunities in the Canadian markets more closely.

Election Market Factor

The Ontario election has been the subject of considerable comment on the street, and has an important bearing upon the market. The interest in brewery and distillery stocks was very much alive and grew keener with the daily approach of the election. The results of the election have apparently already been discounted. Industrial Alcohol was most actively traded in, and was market broken for the greater part of the week. The appearance of its very favorable statement which showed an increase of 56 per cent. in earnings over last year, was, no doubt, in part responsible for the close and wide attention to the security. The general feeling with regards to distillery securities is that the business will be on much more stable basis. When government control goes into effect in Ontario, investors will feel more favorably disposed towards distillery securities. Distillers will have the Ontario government as a client and the unsettled condition which has prevailed up to the present will be removed. The issue will not likely come up for four or five years, and for that period at least the distillers will be able to plan with a greater degree of confidence.

While the election had an important bearing on liquor securities, there was also an interest over Carillon power development in which both Quebec and Ontario are greatly interested. The selection of the Ferguson Government would mean the immediate consideration to this question. Shawinigan and Montreal Power are, it is understood, to carry out this development.

As the forward movement on Canadian securities becomes more robust and firm, higher money rates have appeared in New York when trading has assumed a more professional character. During the past week, New York has been very undecided in its course. Pools have been able to force specialties up, but it has only been upon very stubborn resistance that the bear attacks have been sustained. While bond prices have reached new high levels at New York, and while this ought to forecast higher prices on the stock market in the months to come, a temporary reaction at any time is most unexpected, since the trade possibilities for the first half of 1926 are somewhat unfavorable.

International Nickel Performs

Amongst the leaders of the week, International Nickel has moved in a rather extraordinary manner. The stock jumped in half points at a time, which might indicate that the flooding supply at present prices has been sapped up. There has been much buying recently for the long pull investment.

B. C. Fish, which reacted somewhat in profit taking, again leaped forward on Wednesday, when it crossed the 100 mark for the first time in history. The first move on this stock was said to be due to the stock split. It is now rumored that the statement of the company will surprise even the most optimistic.

Brazilian is Steadier

A week ago there was much talk about the struggle between the Toronto and Lowenstein interests for the control of Brazilian. The activity in the stock appears to have dwindled and assumed a normalcy with little evidence of manipulation by either faction. The comparative steadiness of the stock would also indicate that the stock has recovered from uncertainty caused by rumors of revolution in Brazil.

Tooke preferred took a spurt during the week, discounting resumption of dividend.

Canadian Canners preferred has been a bright spot on the Toronto list, and a new high for the year was established. The strong financial position of the company with its dividend possibilities is bringing this stock into public favor.

Amongst the other stocks which stood out strongly are Port Hope, Sanitary Dominion Stores, Consolidated Smelters, Wayagamack, W. M. Davies, Atlantic Sugar preferred, Penmans, Laurentide, Dom. Textiles, Winnipeg Electric, Dom. Bridge.

Week's Gains and Losses

	Gains	Losses	Unch.	Total
Banks	5	1	3	9
Paper	5	6	3	14
Steel	7	7	20	34
Foodstuffs	15	12	14	41
Utilities	6	9	13	28
Tractions	4	2	9	15
Textiles	7	4	5	16
Industrials	24	7	21	52
Totals	73	48	88	209

THE NATION'S BUSINESS

(Continued from page 1)

They deserved a chance to carry on a few years longer.

Ferguson himself has gained in popularity in the past few years, He has his critics; even in his own party. There are many who do not consider him the polished, statesmanlike gentleman of political culture who ought to occupy the office of prime minister of Canada's most popular province. But what he lacks in platform polish, in five o'clock graces, and in theoretical idealism. Mr. Ferguson makes up in common sense, plain speaking and direct thinking. And these are the qualities most to be desired when sensible rather than Windsor uniform government is needed in the province.

* * *

WHAT is likely to develop from an outside, expert analysis of the Hudson Bay Railway situation can hardly be accurately forecast now, but one thing is certain; that Hon. C. A. Dunning, minister of railways and canals, has taken the right step in getting the best possible advice on the railway and its terminals before spending millions more of public funds.

Appointment of Frederick Palmer, an eminent and reputable British engineer, to the task of reporting upon the terminals, should give Canada a basis of well informed opinion, on the actual possibilities of the Hudson's Bay route that she has not had so far. The government statement says that Mr. Palmer will report upon harbor developments, but it is difficult to see how he can report on harbor developments without discussing the whole question of the availability of the Hudson's Bay for a grain route.

Reports from the West are to the effect that work is being rushed on the completion of the Hudson Bay Railway. Probably the presence of a few score workmen putting in new ties here and there is the chief foundation for the report. Work can hardly be pushed rapidly on the terminal development until Mr. Palmer has made his report, and this is not likely to come for at least a year yet.

It would seem then that heavy public expenditures on the Bay line are unlikely in the near future despite pre-election discussion, while the future of the line in itself may now be in the balance as a result of the new move.

Food Products

B.C. FISH PLAN FOR STOCK SPLIT MAY BE DELAYED

Dividend Rate is Up Only One Per Cent. Where 2½ Expected

The declaration of 1¼ per cent. dividend on British Columbia Fish & Packing this week may have been a disappointment to shareholders who were expecting a rate of 7½ per cent. to be established for the year. It was intimated two weeks ago that the higher rate would prevail for the year, with a recasting of the capital structure. One element in the company has been advocating the creation of preference shares. The total of issued preferred, assuming that transfer could be arranged, would be no greater than could be carried by the minimum earnings of the company in lean years. The common, on the other hand would be a popular stock, possibly, with investors with speculative inclinations, buyers standing to reap fat returns in good years.

It has not been determined what degree of unanimity prevails among the directors on the question of a recasting of the capital structure, the declaration of the quarterly dividend on the basis of 5 per cent. may indicate that the plan will remain in abeyance, at least until President Aemilius Jarvis returns from Europe, where he has gone seeking new markets for the Pacific salmon.

Net of 20 Per Cent.

It is said that the annual report of B.C. fish will show a net of 20 per cent. for the year. In certain quarters where the company has been looked on largely as one for stock market operations this high earning was deemed a justification for the 7½ per cent. rate forecast three weeks ago when the stock made its spectacular climb.

But more moderate counsels apparently have prevailed. It is assumed that the surplus remaining will go into contingent reserve, since it is considered that the company is well-equipped for its business.

The seasonal nature of the salmon industry, the fact that two good years seldom come together, makes it imperative for a company, if it is to reach a plane of real stability, to retain the greater proportion of its earnings in good times to tide over the lean, admitting that the ordinary stockholder with no direct interest in the fishing industry is entitled to a moderate and fairly steady income from his investment.

DUBUC REQUEST FOR TIN TARIFF DRAWS PROTESTS

Canadian Manufacturers of Materials Needing Tin in Arms

Request of J. E. A. Dubuc for a tariff on tin, in order that a group associated with him may erect a tin smelter at Chicoutimi, P. Q., has drawn fire from Canadian manufacturers utilizing tin as raw material. Hardware and Metal takes up the case for those opposed to the duty, and in its current issue reports many arguments against it.

Says Hardware and Metal: "It is doubtful if any tariff proposal has ever before stirred up such a storm of justified protest from manufacturers who are dependent upon a supply of tin in their industrial operations as has the present request, and only after analyzing the broad effect of this suggested tariff can one grasp the real significance of the situation and appreciate the dangers which this action would bring without any compensating features.

Hardware and Metal continues:

"With the comparatively recent failure of a tin smelting enterprise in the United States, involving the loss of some $10,000,000, the prospect for success of a Canadian enterprise operating under even less favorable conditions is none too encouraging. Two tin smelting industries were started in the United States and were in operation before they asked the United States government for a duty of two cents per pound, this being a great deal less than the scale of six to nine cents per pound being asked for in Canada. Although these industries were backed with large amounts of capital, they found it desirable to abandon their project, although the domestic market for all kinds of tin in the United States was 80,000 tons compared with a total market available in Canada of 2,200 tons.

Should go Carefully

"The foregoing experiences indicate that Canada should at least go very carefully into this subject, taking advantage of the experience of others and weighing the facts in the balance before making itself a party to a scheme which will penalize a great many manufacturers of everyday articles and which will raise the cost of a wide range of merchandise, all for the very vague hope of establishing a tin smelting industry in Canada which would have available to it a market of only 2,200 tons per year at the very outside, this quantity being capable of shipment in one boatload to Canada, and representing the very highest grade of ore which would not be available to a Canadian smelting plant for reasons which will be shown later."

It is then charged that a new mill could not obtain reliable sources of tin supply.

Brompton Elects President

MONTREAL.—E W. Tobin, M.P., has been elected president of the Brompton Pulp and Paper Co. Mr. Tobin was the senior member of the board of directors and with the late F. N. McCrea was one of the largest holders of the company's securities. For many years he has been prominent in the lumber and pulp and paper industry in the Eastern Townships of the province of Quebec.

DOMINION COAL WILL EARN PROFIT DURING THIS YEAR

But Heavy Losses Were Shown in Year 1925

MONTREAL.—One result of the temporary break-up in British Empire Steel is seen in the publication of a separate annual report for Dominion Coal Company. As the report covers 1925, and is only now being made public it casts only little light on current conditions. However, President Roy M. Wolvin, makes a forecast regarding 1927. He says:

"Conditions in the first quarter of the current year were not materially different from those which have prevailed at that season in recent yars.

"Your various collieries with two exceptions had been put into good condition and were capable of a very large output, but the demand was limited to the moderate requirements of the Dominion Iron & Steel Co. and the local markets.

"Upon the opening of navigation in the St. Lawrence operations became active and this activity has continued until the present time. It was stimulated in recent months by the demand for coal in Europe and contracts have been made for the delivery of a considerable tonnage for oversea markets, commencing with the close of the St. Lawrence river navigation.

Profit During 1926

"It is expected that the operations for the year will show a profit and that the output will reach, if it does not exceed, 4,300,000 tons.

"The prospects of business during the coming year are good. In the early months of the new year there will be a continuation of European shipments. The steelworks will be fairly busy and their requirements along with demand for bunker coals and for local consumption will ensure a more satisfactory output during the winter.

"It is expected that during the season of navigation in the St. Lawrence the demand will be nearly, if not quite up to this season's figures."

Operating Loss Shown

Operations resulted in a loss for the year of $2,264,287, which wiped out the previous surplus and placed a deficit of over half a million dollars in the asset side of the ledger. Working capital was reduced over a million and a half.

In his comment upon the company's operations during the twelve months ended December 31, 1925, Mr. Wolvin says in part:

"The position with respect to working capital at the end of the year is an index of the conditions through which your company's affairs were passing.

"Current and working assets were reduced $792,345, and current liabilities were increased $801,474 through increased borrowings from the company's bankers. The total diminution in the excess current assets over current liabilities was therefore $1,523,818.

When Operating Made Profit

"The operations in that portion of the year during which the mines were worked resulted in a profit of $346,497. After charging off the expense directly attributable to the closure of the collieries and the reserve for depreciation, the loss for the year amounted to $1,858,933. Bond interest and other capital charges and interest on inter-company accounts amounted to $405,354, making the gross deficit for the year $2,264,287, and resulting in a debit of $522,934 in surplus account. It should be noted that the intest accrued on the 6 per cent. income bonds has not been included in these figures, and that it must be provided for when the company's earnings are sufficient for the purpose.

"The year 1925 was marked by the most serious disturbance in the relations between the management and the working force that has occurred during any recent period."

The profit and loss figres are as follows:

Profits	$ 346,497
Strike expense	1,505,430
Deficit	$1,158,933
Depreciation, etc.	700,000
Deficit	$1,858,933
Interest	405,354
Loss for year	$2,264,287

The working capital position shown in the balance sheet is as follows:

Current assets	$3,455,572
Current liabilities	1,948,245
Net working capital	$1,507,327

Brewers' and Distillers' Shares Now on Curb

From Our Own Correspondent

MONTREAL.—The $5 par value voting trust stock of Brewers and Distillers of Vancouver was called on the listed section of the Montreal Curb for the first time this week. The voting trust agreement covers a period of twenty years and expires in 1946. The authorized capitalization is 1,500,000 shares, of which 970,674 shares have been issued; there are no other securities ranking senior to the stock. While the company was incorporated some years ago, it began more active operations at the beginning of this year and the shareholders will be able to form a better estimate of earnings at the conclusion of the fiscal year which ends on December 31 next.

NESBITT IN PAPER DEAL

MONTREAL.—While recent press dispatches indicated that the plans for the erection of a $4,000,000 paper mill at Aylmer, P. Q., were completed, A. J. Nesbitt has declared that no decision has been reached on this matter, and that two or three other locations for the new mill are being considered. Mr. Nesbitt is president of the Power Corporation and is associated with other interests in the projected paper development.

Alberta Wins Big Corn Trophy

The Ogilvie challenge cup presented for the best ten ears of corn shown in the three prairie provinces, was won by an Alberta exhibit this year, in the open class at the Saskatchewan corn show at Estevan last week. The exhibit was made by Geo. Worthy, of Medicine Hat, and consisted of ten ears of Minnesota No. 13. This is a new honor for Alberta in corn. At the recent provincial show held at Medicine Hat there were about 2,500 ears of corn on exhibit, and of better quality than last year.

A census just completed shows Sherbrooke's population to have increased in a year from 23,454 to 25,021—a gain of 1,567.

SAFE INVESTMENTS for December Funds

Government and Municipal

Security	%	Maturity		Price	Yield
Canadian National Railways (Dominion of Canada Guarantee)	5%	February	1954	102.50	4.83%
Canadian National Railways (Dominion of Canada Guarantee)	4½%	Sept. 15th,	1954	95.75	4.78%
Province of Ontario	4½%	Sept.	1944	97.00	4.75%
Province of Ontario	5%	Oct. 15th	1948	102.50	4.82%
City of Quebec	5%	Nov. 1st,	1936	100.50	4.95%
Pointe aux Trembles	6%	May	1940	108.20	5.15%
Shawinigan Falls, Que	5%	May	1950/61	100.00	5.00%
St. Jerome R.C. Schools	5½%	May	1954	104.40	5.20%
St. Boniface, Man.	5%	Jan.	1944	91.25	5.80%
St. Boniface, Man.	5%	Jan.	1943	91.50	5.80%
Public Utility					
Bell Telephone Company	5%	March	1955	101.50	4.90%
Calgary Power Company, Ltd.	5%	January	1940	91.06	6.00%
Canada Northern Power Corp. Ltd	6½%	May	1941	101.00	6.40%
Canadian Pacific Railway Co.	4½%	Dec. 15th	1944	94.50	4.95%
Canadian Pacific Railway Co.	5%	April 15th	1934	100.33	4.95%
East Kootenay Power Co., Ltd.	7%	April	1942	105.00	6.50%
Gatineau Power Co., Ltd	5%	June	1956	95.50	5.30%
Gatineau Power Co., Ltd	6%	June 15th	1941	99.50	6.05%
Laurentian Power Co., Ltd.	6%	January	1936	103.25	5.55%
Manitoba Power Co., Ltd.	5½%	January	1951	99.00	5.60%
Montreal Tramways Company	5%	July	1941	98.75	5.15%
Montreal Tramways Company	5%	April	1955	94.50	5.40%
Montreal Light, Heat & Power, Cons	4½%	January	1932	98.25	4.90%
Northern Canada Power Limited	6%	December	1945	101.50	5.90%
Northwestern Utilities Limited	7%	June	1938	101.25	6.85%
Ottawa & Hull Power Co., Ltd.	6%	August	1948	105.00	5.60%
Ottawa-Montreal Power Co., Ltd.	6½%	June	1949	103.65	6.20%
Ottawa River Power Co., Ltd.	6½%	December	1953	103.90	6.20%
Quebec Railway L. H & Power, Ltd.	5%	December	1939	96.50	5.40%
Southern Canada Power Co., Ltd.	5%	October	1955	97.75	5.15%
Suburban Rapid Transit Co., controlled by Winnipeg Electric Co.	5%	Jan. 31st,	1938	90.25	6.25%
Winnipeg Electric Company	6%	Oct. 2nd	1954	101.00	5.95%
Industrial					
Canada Paper Company	6%	Dec. 4th,	1945	100.00	6.00%
Canada Steamship Lines, Ltd.	5%	Aug.	1936/1943	97.50	5.80%
Canada Steamship Lines, Ltd.	6%	Oct. 1st	1941	97.00	6.30%
St. Lawrence Paper Mills, Ltd.	6%	March	1946	98.50	6⅛%
Preferred Stocks					
Canada Northern Power Corp. Ltd.	7%	Preferred		99.00	7.07%
Eastern Dairies Limited (Carrying Bonus 2½ shares Common with each 10 shares Preferred)	7%	Preferred		100.00	7.00%
Dominion Power & Transmission Co., Ltd.	7%	Preferred		Market	
East Kootenay Power Co., Ltd.	7%	Preferred		100.00	7.00%
Ottawa & Hull Power Co., Ltd.	7%	Preferred		100.00	7.00%
Ottawa-Montreal Power Co., Ltd. ($50 Par Value)	7%	Preferred		50.00	7.00%
Power Corporation of Canada, Ltd.	6%	Preferred		Market	
Southern Canada Power Co., Ltd.	6%	Preferred		Market	
Winnipeg Electric Company	7%	Preferred		Market	

We invite your enquiries for investment service

NESBITT, THOMSON & COMPANY
LIMITED
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton
London, Ont. Winnipeg
537

Lougheed & Taylor, Limited
Calgary, Canada
Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation.

Municipal Bankers
BOND AND SALES CORPORATION, LIMITED
Dealers in
Canadian Government, Municipal and "Dollar for Dollar" Bonds
CORRESPONDENCE INVITED
34 KING ST. EAST, TORONTO
Sir John Willison, Kt., LL.D. President
Sir William Hearst, K.C.M.G. Vice-President

Dominion Textile Rise Causes Talk of Bonus

From Our Own Correspondent.

MONTREAL.—The strength in the shares of the Dominion Textile Company must be due to one of three causes. The company is either considering increasing its dividend or declaring a bonus, or the rise in the stock has been but a sympathetic movement in keeping with the general buoyancy of the stock market. Informed opinion appears to believe that there is no chance of increased dividends at the moment, but that the rise has been due to the general market conditions coupled with a possibility only that the shareholders might, in view of the satisfactory business conditions which are prevailing, receive a bonus.

B. C. Farmers Raise Foxes

Fur farming is "catching on" in the Creston district of B. C. Several farmers and fruit growers have set up breeding pens of muskrat, black fox and black coon. One farmer plans to add marten, mink and fisher this winter. Black coon breeding here goes back three years when Fred Smith started with a pair that have now increased to twenty. "They thrive well on a diet of old horse meat," he says.

Cement War Still On

MONTREAL.—The sharp rise in the shares of the Canada Cement Company immediately started the rumor that the cement war in the province of Quebec had run its course. As F. P. Jones, president of the company, is away, and will not return until the middle of the present month, it seems that such a rumor is probably baseless.

Barcelona Traction Earnings

Barcelona Traction, Light and Power Company, net earnings for October amounted to 4,679,223 pesetas, which compares with 4,320,345 pesetas for September and 4,574,109 pesetas for October, 1925. October showing is the best since April, when net earnings amounted to 4,885,908 pesetas.

Gross earnings in October were 7,343,490 pesetas, an increase of 77.756 pesetas over the corresponding month of last year. Operating expenses were 2,669,257, a decrease of 27,358 pesetas. Aggregate gross earnings for the first ten months of the year amounted to 73,942,425, an increase of 3,011,231 over the corresponding period of 1925, an aggregate net earnings were 47,786,876 pesetas, a gain of 1,394,899 pesetas.

STERLING APPRAISAL COMPANY
LIMITED
9-11 E. Wellington St., TORONTO
Sterling Security Reports are prepared by Registered Professional Engineers

Ripley Now Suggests Shareholders Have Audit Committees

Professor William Z. Ripley, of Harvard University, in the current issue of World's Work, tells of how he would kill "the 'high hat' attitude toward the inquiring stockholder," by forming stockholders' committees which should conduct independent audits of accounts and in every way attempt to enlist the interest of an intelligent minority in democratizing industry.

The extent to which the common shareholder is deprived of his rights to participate by voting in the conduct of his business in which he has an interest, says Professor Ripley, may be gathered from the statement that of $1,500,000,000 of publicly held securities of 12 major holding companies serving electric light, power, gas and water in the United States in 1925, the equity common stocks in which are vested complete control amount to only 10 per cent. of the total.

However, the further disfranchisement of public shareholders in the years to come is dead beyond recall, he comments. But non-voting common stock being dead, to whom shall the succession stock run, he asks.

After asserting that any plan for the greater democratization of corporate management based on the hope that the whole body of shareholders would participate actively, would surely go wrong, Professor Ripley says the problem is, therefore, to devise something 'within the range of shareholders' probable capacity which shall point toward, even if it does not attain, the desired end of a reasonable check and balance upon management.

"There must somewhere be a middle ground of division of function—a normal domain of managerial responsibility and yet another of shareholders' participation," he writes.

Danger of Diffusion

Professor Ripley says there are dangers for a corporation having its stock so widely diffused that no particular groups are responsible for its continued success. The most thought-provoking remedy, in his opinion, is the institution of some permanent agency which shall be more immediately representative of the shareholders' rights "than is the existing machinery and which shall promise a fair chance of awakening sufficient interest among the electorate to induce an intelligent minority to take part."

"For it will be the participation of such an intelligent minority which, as in the field of politics, makes democracy tolerable," he adds. "Such a body, created either out of hand or else evolved from the present boards of directors, might be expressly empowered in the charter to assume certain responsibilities by way of check-up, so to speak. The primary function would have to do with adequate publicity through independent audit."

"The novelty about this project for stockholder representation consists merely in the constitution of a continuing body instead of a temporary or emergency one, and—this being of the utmost importance—that it be created not to cope with a management in terms of conflict but to recognize that full responsibility and authority are still vested in the directorate, subject only to the condition that there shall be a reasonable amount of disclosure and consultation precedent to action.

Committees Formed

"Note within the last few weeks how, almost automatically, bodies of this sort spring up in cases of emergency. In Cleveland there is the 'Committee of the Common Stockholders' of the Goodyear Tire and Rubber company, the 'Bondholders' Defense Committee' set up with reference to the reorganization plans of the Chicago, Milwaukee & St. Paul Railroad; and in another domain the 'Protective Committee' recently created to deal with the collapse of G. L. Miller & Co., Inc., first of the top heavy real estate investment concerns to disclose its structural weakness."

"The old fashioned type of corporate management was prone to assume what in college parlance is known as a "high hat" attitude toward the inquiring stockholder, says the writer. "But a stockholders' representative body, with an assured status, the assistance of a technical expert and reasonable resort to corporate funds, together with the right of access to accounts and records "would certainly confer a prestige upon such a body which would make membership on it attractive to able men. Add to this the positive encouragement from the management side arising from the definite contribution to its own well-being; all this makes it appear that the experiment is worth trying. And at most, or rather at least, conditions could not be more unsatisfactory than in too many cases they are now"

Alberta Looks Forward to Building Big Future on Present Foundation

By J. H. WOOD,
President, Canadian Press and Managing Director, Calgary Herald.

There is no part of the Dominion of Canada that has finer traditions of courage and endurance and virtue and achievement than is to be found in this province of Alberta. It is the home of Western-American adventure and exploration. Think of Alexander Henry. We look back with admiration at those who covered the Oregon Trail and who beat their way across the United States to their home on the Pacific Coast. And yet it was nearly one hundred years before any American reached the Pacific Coast that Alexander Henry, out of this very country, discovered the Peace River. Take Samuel Hearne. It is an interesting fact that Samuel Hearne, the young Hudson's Bay Company man, carved his name on a rock on the shore of Hudson's Bay one day with a chisel and wrote on it: "Samuel Hearne, July 1st, 1767," not realizing that one hundred years from that very day this Dominion of Canada would spring into being; and he was the man who came through this country and followed the Coppermine River to the Arctic Sea. Take Alexander McKenzie. It was from this very place that he set forth on his tremendous journey at the end of which he found himself the first white man to look over the waters of the Pacific Ocean. Take Simon Fraser. Why it was from Fort Edmonton, just below us on the hill, that Fraser set out and, having followed us the rivers, launched his canoe on the Fraser River and pursued that river down, not knowing whether death was around the next curve. Take David Thompson. This was his stamping ground. And Peter Pond. These are great names in history, and they made their names and they made their history on the very spot on which we stand. We have a background in Alberta that is the pride, and may be the pride, of any community.

Looking Back With Pride

Think of the men who followed the plough westward from the Red River settlement going westward, ever westward, and making their way against hostile people, unknown conditions and fearful hardships of winter, who were in the century that has gone. Rolled back the cover and exposed to the world almost half a continent and have opened up this country to the comfort and the happiness and the comfort of men. These are the things to which we look back with pride and after all, they are in some degree the measure with which we gauge the sturdiness and the character of our own people and they are features of life that we try to inculcate into those that come here. We have an ethical history here that makes us at least possess a foundation worth while. And we have a civilization, we have a social life here that has grown up from its very grass roots in peace and concord and respect for law. Our country is based on the foundations of religion and education and both of them follow as the people go.

During the last twenty-one years, even since this country was made into a province, we have built up a land in which good roads are gradually being extended, in which telephones are put through in the rural districts, in which a school system, elaborate it is true, but not too elaborate for the people who own it, is in existence, and that all those adjuncts that make for fine character in the people of the country are in evidence and are being fostered by our government and by the people themselves. We have a country-side fertile, abundant in its fruitfulness, subject to its troubles as all country sides are, but peopled with 80,000 or more fine sturdy farmers and their families, and that country side will grow more productive and more wealthy as the years go by. We have a country of scenery.

Growth of Two Decades

We have a country of resources. I cannot help for the purpose of record setting out some of the bare facts indicating the progress of this country. I, myself, came here in 1906 and this is 1926, and what have I found in this country? I have found that in 1905 this country produced in agricultural resources $20,000,000, and in 1925 its resources from that branch were $256,000,000. I have found that in 1906 we had in this province 233,000 acres under grain and in 1925 we had 5,719,000 acres under grain. In 1906 this province produced less than 6,000,000 bushels of wheat, in 1925 it produced 102,000,000 bushels; in 1924 it produced 156,000,000 bushels, and, given a decent crop, we have the next time we have a chance. The value of our wheat has risen in that time from $4,000,000 per annum to $115,000,000 per annum. In 1906 we had 476,000 acres in this province sown to oats; in 1925 we had 2,397,000 acres sown to oats. We have, it is true, had trouble in connection with our cattle on account of the eccentric and spasmodic attitudes of the United States and of their action in cutting off our market. Therefore our cattle industry, while it has grown very much since 1906, has not grown as much in recent years as it might have, but I would like to point out that in 1905 we produced $1,000,000 worth of dairy products in Alberta, and in 1925 we produced $23,000,000 worth of dairy products in Alberta. We produced in 1905 931,000 tons of coal and in 1925 we produced 5,800,000 tons of coal. We had in 1905 a population of 200,000 people; in 1925 we had a population of 640,000. The increase was not large compared to what it might have been, but it is substantial, and if you have carried my figures sufficiently in your mind you will realize the greatly increased production per head that this country has attained in the last twenty years. We have in this country more than 16,000,000 acres of fertile land, yet untouched; we have more than 15,000,000 of acres of homestead land, yet untouched.

Foundation of Commerce

These resources form the foundation of a commerce, and while as yet our commerce may not seem to be great in comparison with the commerce of Eastern Canada and of the United States, yet I submit that our commerce is only in its infancy and that with the potentialities which I am endeavoring to indicate it is well worth your regard. Take coal. All have heard of the abundance of Alberta coal and indeed we are hoping that we may attain Eastern markets with it in a greater measure. But it is an interesting fact to know that formerly it was estimated that we had over a thousand million tons of coal. But Professor Allan, of the University of Alberta, this year, completed for the Scientific Industrial Research Council an investigation into coal. It would apear from his researches that we have, apart entirely from 5,616 known square miles of lignite—we have over 7,000 square miles of coal the metric tons of which go to three hundred and twenty-seven billions of tons; in other words our resources in coal are so stupendous as to surpass calculation, and when you think of what other nations are doing, such, for instance, as Germany and Australia, with their brown coal. It may be said that there is no use to which to put this coal, but who can measure the possibilities that lie in front of us with so great an asset, which other countries would give anything to possess?

Oil Development Important Factor

The oil development in Alberta today is one of the most important industrial factors existent in the Dominion of Canada. We have now, in various portions of our province, solid and extensive and well-financed developments going ahead. We possess in the Turner Valley the most remarkable and the most productive oil well in the world. We find in Turner Valley that the formation from which this great well springs is no freak, but it extends and is reproducing its flow miles away in various directions. This means, without any doubt, that in that area of our province alone there will spring up in the next five years an oil industry—which will be a great factor not only in the development of this Dominion, but a factor in the oil resources of the British Empire, which have been so eagerly sought. And we have other fields in Alberta that are being earnestly developed, and I would like to mention this fact that apart from the Imperial Oil Company, which for a number of years has conducted systematic and earnest exploratory efforts in this province—apart from the Imperial Oil Company other instances, we are doing this development with our own capital, and, as far as I know, without help from the capital of eastern Canada.

Alberta possesses vast opportunities for an important commerce. We are indeed an inland empire, but with British Columbia as our seaboard, and I do not know whether those from other parts of Canada have sufficiently regarded the fact that between Alberta and British Columbia in grain, coal, oil, timber, minerals, fishing, shipping, harbors, and vast and important rivers, we possess between us all the resources and all the wealth of any countries lying in the temperate zone.

Both Edmonton and Calgary have grown in population during the past year, the former especially, from 58,812 to 64,740, and the latter from 63,305 to 64,905.

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, com.	17	19
Do., pref.	83	86
Brooks Motor 1 pref. & 1 com.	6	7
Do., 1 pref. & 2 com.	8	9½
Can. Machinery, com.	4	7
Can. Westinghouse, com.	168	171
Farmers Dairy, com.	60	..
Dunlop Tire, pref.	..	80
Chase, A. W., com.	..	12
Do., pref.	90	85
Fanny Farmer, com.	26	28
Federal Alcohol & Dist.	7	8½
Goodyear Tire, com.	75	85
Do., 6% pref.	93	96
Gunns, Ltd., pref.	25	28
King Edward Hotel, Deb. A.	77	81
King Edward Hotel, Deb. B.	60	63
Loew's London, com.	4	5
Loew's Buffalo, pref.	53	58
Mount Royal Hotel, com.	6	8
Nat. Grocers, 1st pfd.	97	100
Nat. Grocers, com.	2	5
Continental Life 20% paid	40	46
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	63	..
Great West Life	400	440
Monarch Life 10% Paid	29	31½
Mortgage Discount, pref.	7	7½
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	28	31
Sun Life, 75% paid	545	..
Toronto Finance, pref.	2½	3½
Willard's pref.	67	71
Canada Life	600	..
Capital Life 25% paid	20	24

Stock Market Record

WEEK ENDING NOVEMBER 30

	Div. Rate	Yield Nov. 29	High for wk.	Low for wk.	Close Nov. 30	Close Nov. 23	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.05	222½	220	221⅞	221	121	227	214
Dominion	12+1	6.15	211	211	211	211	78	219	207
Can. Nationale	10	6.23	158	157½	157½	160½	17	170	157
Imperial	12+1	6.24	208	207½	208	205	34	215½	200
Montreal	12+2	5.14	272	271	272	272	135	275	251½
Nova Scotia	16	5.52	291	288	291	289	26	300	281
Royal	12+2	5.52	253¾	253	253¾	253¼	62	255⅛	248
Standard	12	6.28	191	191	191	190¼	6	200	189½
Toronto	12	5.42	221	221	221	221	91	223	213
Paper—									
Abitibi, com. (no par)	4	4.39	91	89½	89¾	91	4341	98	70¼
Do. pref.	7	6.08	...	...	...	...	...	116	106¾
Belgo-Can. pref.	7	6.86	102	101¾	102	101½	299	102½	95¾
Brompton (no par)	.	....	36	35	36	36¼	965	38½	26
Laurentide	6	5.24	114⅝	107½	111¼	108⅛	19464	114¾	81½
Price Bros. com.	2	2.85	70	70	70	70	81	76¾	57
Do. pref.	6½	6.28	103½	103	103⅜	102½	255	103½	95
Prov. Paper, com.	6+1	6.18	113½	112½	113¼	113½	150	114⅝	100
Do. pref.	7	6.63	105½	105½	105½	106	5	106½	100
Smith, Howard, com.	.	....	65½	62¼	62¼	65⅞	1083	67	38
Do. pref.	8	7.61	105	104	105	105	40	105	92¾
Span. River, com.	7	6.66	105	103½	105	104	1010	114¾	96½
Do. pref.	7	6.06	115½	115	115¼	115	496	120	108
Wayagamack	.	....	117	114	113	117	1475	118¼	56
Steel and Steel Industries—									
B. E. Steel, com.	.	....	1½	¾	1⅛	1½	670	3½	¼
Do. 1st pref.	.	....	20½	19½	20	20½	326	30	9
Do. 2nd pref.	.	....	4	2½	2½	4	2583	10¾	1
Can. Car & Found. com.	.	....	37½	37	37	38	320	49	33
Do. pref.	7	8.23	85	83	84	83	441	88	73
Can. Fairbanks, pref	.	...	..	...	...	...	...	60	60
Can Forgings, com.	.	....	..	...	...	...	...	17	8
Do. pref.	.	....	65	65	65	65	15	65	41½
C.G.E. com. (par $50)	.	....	53	53	53	52½	10	53	47
Do. pref. (par $50)	7	6.03	58	57½	58	57	277	60	53½
Can. Locomotive, com.	.	....	..	...	...	...	...	42	35
Do. pref.	7	8.09	86½	86½	86½	87	6	89½	73
Canada Iron, com.	.	....	..	...	...	...	...	10	9
Do. pref.	.	....	..	...	...	...	...	42½	39
Dominion Coal	.	....	72½	70	70	70	30	72½	40
Dominion Iron, pref.	.	....	6	6	6	5	135	24¾	5
Dominion Bridge	4	362	111½	108	109	106	2196	112¼	80
Dom. Radiator, pref.	7	6.86	..	...	...	...	...	103½	100¼
Dom. Steel Corp. pref.	.	....	26	25	25	25	149	26	10⅝
Ford Motor	10	....	..	...	...	...	...	622	500
McKin. Ind. c. (no par)	.	....	24	24	24	24	250	31½	15
Do. pref	7	7.36	..	...	...	...	...	97½	87
Do., voting tr.	.	....	23½	22	22	26½	85	30¾	22
Massey-Harris, com.	.	....	69½	68½	68½	69½	77	73	40
Do. pref.	7	6.82	102½	102⅛	102½	102½	55	102¾	93
N.S. Steel, pref.	.	....	..	...	...	...	...	25	20
Ontario Steel, com.	4+1	6.75	..	...	...	...	...	78½	60
Do. pref.	7	7.00	..	...	...	...	...	103	98
Russell Motor, com.	3	6.00	50	50	50	50	5	50	39
Do. pref.	7	7.54	..	...	...	...	...	93	76
Sawyer-Massey, pref.	.	....	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.02	117	115⅞	116	115	1643	117	95⅛
Do. pref.	7	5.68	123¼	123	123	122½	153	123½	114
Gould Pumps	7	6.98	...	...	...	...	...	100¼	100¼
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	....	20½	18½	18½	20¾	79	26⅝	18
Do. pref.	7	8.43	87	83	83	85	225	92	83
Atlantic Sugar, com.	.	....	28	27	27	27½	3243	32⅞	21½
Do. pref.	.	....	87	81	86½	80¾	841	88	75
B. C. Fishing	5	5.23	97	94	94¼	96½	3865	97	57¼
Can. Bread, com. (no par)	2.50	2.79	89	89	89	89½	20	95	53
Do. pref. (A)	7	6.27	111½	111	111½	111	20	112	105
Do. pref. (B)	7	6.60	106	105	106	104	108	107	96¼
Can. Canners, com.	.	....	13⅜	13	13⅜	13	218	15	12
Do. pref.	4	5.71	71½	68	71½	68	2276	71½	60
Canadian Salt	8	6.40	..	...	...	...	...	145	125
Christie Bisc. c. (no par)	.	....	36	34	36	31	75	63½	31
Can. Bak. c. (no par)	.	....	34	34	34	34	125	37¾	26¼
Do. pref.	7	7.03	99½	99	99½	98	15	99½	92
City Dairy, com. (par $25)	12	3.73	80¼	78½	80	79¾	498	82½	65½
Do. pref.	7	6.19	113	113	113	113	10	113	107
Cuban Can. Sugar, com.	.	....	..	...	...	...	...	5	3
Do. pref.	.	....	30	30	30	26	20	30	21
Dom. Stoves, (no par)	$2.40	3.45	70¼	66	69	66	574	70¼	56
Wm. Davies (A) (no par)	.	....	32	29¼	32	30	667	37¼	27½
Do. (B) (no par)	.	....	..	...	...	...	...	12	10
Inter. Milling, pref.	7	6.66	105	104	105	105	30	106	98½
Lake of Woods, com.	12	8.05	155	149	150	155	152	175	139
Do. pref	7	608	115	115	115	115	10	118	115
Loblaw, com	$1.00	2.32	43	43	43	43½	10	55	29¾
Do. pref.	7	6.66	105	105	105	104¾	3	105	100½
Maple Leaf Mill, com.	.	....	..	...	...	...	...	88	50⅛
Do. pref.	7	7.17	98½	97½	97½	98½	25	102	90
Ogilvie Flour, com.	5+5	5.00	200	197½	200	200	158	200	165½
Do. pref.	7	5.83	..	...	...	...	...	125	117
Pure Gold Mg. (no par)	50c.	....	22	20⅜	21½	20⅜	170	23½	17½
Shred. Wheat, (no par)	75c.	5.10	58¾	57¾	57⅞	58	827	59	47½
St. Law. Flour, com.	.	....	..	...	...	...	...	45	26
Do. pref.	7	8.80	79½	79½	79½	79½	5	84	79½
Viau Biscuits, com.	.	....	25½	24	24 ½	25½	405	28	18
Do. pref.	7	8.04	87	86	87	86¼	133	89	85
Western Groc c. (new)	.	....	30	27	30	29	46	34½	24
Do. pref. (new)	7	9.33	75½	75	75	79½	46	80	62
Do. com. (old)	.	...	5	4¾	4½	4½	234	13¼	3¾
Do. pfd. (old)	.	...	..	...	...	...	...	64	49
West. Can. Flour, com.	35c.	5.82	24⅛	24	24	24¼	40	25	18
Do. pref.	6½	6.50	100½	100	100½	99	55	100½	97⅜
Utilities—									
Bell Telephone	8	5.77	138½	136⅛	138	138¼	380	141	136
Consumers Gas	10	5.88	171	170	171	172	147	183⅞	170
Inter. Util. (A) (no par)	87½c	....	..	...	...	...	...	38½	29½
Calgary Power	.	....	..	...	...	...	...	52½	50⅞
Cedar Rapids	.	....	..	...	...	...	...	50	40
East. Koot. Power	.	....	..	...	...	...	...	33	25
Jamaica Pub. Ser. pref.	7	7.21	97	96½	96½	96½	60	99¼	96
Laurentide Power	5	4.16	120	120	120	120	450	130	100
Mackay, com.	7	5.44	129	126½	129	125½	299	138½	121¼
Do. pref.	4	5.63	71	70⅛	70½	71	216	73½	68¾
Mexican Light, com.	.	....	..	...	...	...	...	33	29
Do. pref.	.	....	..	...	...	...	...	86	64
Mont. L. H. & Pr. com.	2	2.76	73	71	71¼	72⅝	107585	75	59
Do. pref.	.	....	..	...	...	...	...	50½	48½
Mont. Teleg. (par $40)	8	6.66	48½	48½	48½	48½	48	51½	47
Ottawa L. H. & Pr. com.	6	6.00	100	99½	100	100	140	100	92
Do. pref.	6½	6.34	102½	102	102½	103	6	105½	100
Ottawa & Hull Pr. com.	.	....	..	...	...	...	...	30¾	25
Quebec Power, com.	6	3.05	200	193	195	195½	5512	200	118
Do. pref.	7	3.58	200	193	193	195	1341	200	109½
Shawinigan	8	2.92	275½	266¾	271½	266	6360	275½	167½
Do. rights	.	....	..	...	...	...	...	10¼	6½
South Can. Pr. com.	2	2.24	89¾	89	89	89½	289	98	81
Do. pref.	6	5.88	102	101¼	101½	102	91	104½	99
Transportation—									
Can. Pacific Rly.	10	6.09	165	163	165	164	295	169	147
Can. Steamships, com.	.	....	33¼	31½	33	31½	4241	33¼	11
Do. pref.	.	....	96⅛	93¼	95¼	93½	7164	96⅛	56
Do. voting	.	....	31¼	29	30½	28½	1394	31¼	11
Tractions—									
Barcelona (par $50)	.	....	34½	31	33	36	673	40½	26
Brazilian, com.	5	4.75	105¾	103½	103½	104¾	16360	123½	80
Do. pref.	6	5.79	..	...	...	...	...	108	97½
Detroit Un. Rly.	.	....	..	...	...	...	...	3½	1½
Duluth-Superior	.	....	27	27	27	26½	60	33¼	25
Illinois Trac. pref.	6	6.00	..	...	...	...	...	100½	96¼
Montreal Trams	10	5.98	167	165	167	166	45	190	159
Do. Rights	.	....	9½	9¼	9¼	9¼	501	12½	9
Ottawa Traction	4+1	....	..	...	...	...	...	74½	60
Porto Rico Rlys. com.	.	....	..	...	...	...	...	49⅝	40
Do. pref.	7	7.77	90	90	90	90	1	91	85½
Twin City, com.	5	7.81	65	63	64	63	1152	79½	58
Do. pref.	7	6.93	..	...	...	...	...	103	101
Winnipeg Elec. com.	1	...	63¼	59	61¼	59¾	7204	63¼	45¼
Do. pref.	7	6.86	102¾	102	102	102	75	103	95
Textiles—									
Can Conn. Cot., pref.	4	....	..	...	...	...	...	49	35
Can. Converters	7	6.86	104	99	101	96½	996	104	90
Can. Cotton, com.	8	7.08	..	...	...	...	...	124	118
Do. pref.	6	6.38	94	93½	94	94¾	32	99½	92½
Cosmos Imp. com.	.	....	16½	15	16½	15½	921	16½	14¾
Do. pref.	.	....	93½	92⅞	92⅞	93	45	93½	92¾
Can. Woollens, com.	.	....	..	...	...	...	...	8	4
Do, pref.	.	....	51½	51½	51½	50	89	56	45
Dom. Textile, com.	5	4.85	103	95	102	95¾	5535	103	89
Do. pref.	7	5.83	120	120	120	120	1	122	115
Monarch Knitting, pref.	.	....	52	52	52	50	25	52	30
Montreal Cottons, com.	6	5.47	109½	109½	109½	110	10	115½	102
Do. pref.	7	6.08	..	...	...	...	...	115½	110
Penmans, com.	8	4.31	186	183¼	184¾	178	481	191	173
Do. pref.	6	5.98	100¼	100¼	100¼	100½	5	104½	100¼
Wabasso Cotton	4	4.04	100	93	100	92	971	100	60
General Industrials—									
Amer. Sales c. (par $20)	4	588	68	68	68	67	86	70	54
Do. pref.	7	7.23	97	96½	97	96	129	98	92
Asbestos Corp. com.	.	....	24	22¼	23½	22¾	2840	25¾	16½
Do. pref.	7	8.35	84	81	83½	81½	2484	84	62
Bldg. Products, pref.	7	7.52	94	93	93	93	21	94	83
Brant. Cord. (par $25)	8	8.33	24	23	23	24¼	208	27½	23
Burt, F. N. com.	12	5.21	57⅞	55½	57⅞	56	620	67½	50
Do. pref.	7	3.33	..	...	...	...	...	210⅛	210⅛
Canada Cement, com.	6	5.08	124	115	117	115	1321	124	98
Do. pref.	7	5.93	118½	116¾	118	116½	145	120	113
Dom. Rubber, pref.	7	....	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	1.28	4.63	27¾	24⅜	26½	24¼	47708	27¾	16¼
Crow's Nest Coal	6	8.54	72	66½	69½	65⅝	381	85	51
Dom. Glass, com.	7	7.60	92½	90	92¼	92	635	105	81
Do. pref.	7	6.73	104	104	104	103½	15	111	103
East. Theat. c. (par $25)	.	.	..	...	...	...	...	30	18¾
Do. pref.	7	....	..	...	...	...	...	95	83
Famous Players, com.	.	....	16	16	16	18	25	21	11
Do. pref	8	8.51	93¾	93	93	93	115	94½	88
Gilman, com.	6	4.95	..	...	...	...	...	127½	104½
Do. pref.	7	5.38	..	...	...	...	...	131	113½
Goodyear Tire, pref.	7+3½	7.23	97	96	97	97	406	99¼	85
Holt Renfrew, pref.	7	....	..	...	...	...	...	90	84½
King Ed. Hotel	.	....	36	36	36	32	20	41	25
Kelvinator, com. (no par)	.	....	14½	14	14	134½	86	20¼	14
Do. pref.	7	7.77	90	89½	90	90	45	95¾	88
Lyall Construction	.	....	35½	35½	35½	35½	75	48	20
Nat. Brew. c. (par $25)	4	5.81	68¾	66	67	65½	3343	72	56
Nat. Bric, com.	.	....	8¼	105 ½	105½	106	50	116	101¾
Do. pref.	7	6.60	105½	8¼	8¼	8	85	12½	8
Do. pref.	7	11.66	60	60	60	65	25	72	60
Pacific Burt, com.	6	6.45	..	...	...	...	...	110	90
Do. pref.	7	6.60	106	106	106	106	20	110	102
Page Hersey, com.	75c.	5.10	59	54½	58¾	53⅜	3140	59	43
Do. pref.	$175	593	118¾	115½	118½	115½	1133	118¾	100½
Port Hope, San. com.	3	2.30	130	110	120	110	475	130	74½
Do. pref.	7	6.66	105	105	105	104	10	105	90
Rogers, Wm. com.	.	....	70	69⅞	70	70	220	70	45
Do. pref.	7	7.36	..	...	...	...	...	97	90
Sher-Williams, com	6	4.04	148½	138	148½	140	780	148½	125
Do. pref.	7	5.88	..	...	...	...	...	120½	110½
Sterling Coal	4	....	36	36	36	37	90	43	36
Tooke Bros. com.	.	....	..	...	...	...	...	8	8
Do. pref.	.	....	81	70	81	70	565	81	56
Tuckett Tobacco, com.	4	5.47	73	64	73	64½	435	73	58
Do. pref.	7	6.66	105	105	105	104	15	105	100
Holt, Renfrew com.	.	....	35	35	35	34	1	35	26
Woods Mfg. com.	.	....	45	45	45	45	39	48	38
Do. pref.	7	8.23	85	83¾	85	83	16	90	77¾
Standard Chem, pref.	.	....	..	...	...	...	...	9	9
Loew's, com.	.	....	36	36	36	40	1	40	36
Do. pref.	.	....	..	...	...	...	...	93½	90
Trust and Loan—									
Central Canada	12	....	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.91	..	...	...	...	...	100	90
Can. Permanent	12	5.66	212	212	212	211	11	212	202¼
Colonial Invest.	6	....	..	...	...	...	...	7	4
Huron & Erie	7+½	5.55	..	...	...	...	...	135	127½
Landed Banking	9	5.66	..	...	...	...	...	159	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	4.97	..	...	...	...	...	245	232½
Ontario Loan (par $50)	11	5.00	..	...	...	...	...	110	103½
Real Estate Loan	7	7.73	..	...	...	...	...	90½	83
Toronto Gen. Trusts	12	5.38	223	223	223	223	1	225	220
Toronto Mtge. (par $50)	10+1	5.61	98	98	98	98	7	100	93½
Union Trust	7	6.79	..	...	...	...	...	105	98
THE CURB MARKET									
Andes Pete.	.	....	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	....	39¼	35	35	39	631	43¾	7
Beacon Oil	.	....	18½	17¼	18⅛	17⅛	1785	19½	14¼
Belding pref.	7	8.75	80	79	80	80	9	101	75
Brewers & Distillers	.	....	4¾	4½	4⅝	4½	1850	5	4¼
Brit. Amer. Oil (par $25)	10	3.57	70	69	69¼	69⅞	5195	71½	47
Can. Nor. Pr. com.	.	....	40	40	40	37¾	50	40	28
Do. pref.	7	7.08	98¾	98¾	98¾	98¾	120	99	89¼
Can. Oil Com.	5	....	..	...	...	...	...	91	65
Do. pref.	8	7.04	..	...	...	...	...	114	109
Cockshutt pref.	.	....	o5	67¼	67¼	67	70	73	57¼
Cont. Oil	$1.00	....	20	19½	19½	19	131	26	17⅞
Cosgrave Brew.	5	....	6½	5¾	6	5¾	3927	6½	5
Dom. Eng.	.	....	135	128	130	123	243	135	65
Dom. Power pref.	7	....	..	...	...	...	...	101¼	101¼
Dryden Power (no par)	.	....	11½	11	11	11⅛	262	12	5½
East Engineering	.	....	..	...	...	...	...	2½	1
Eng. Elec. com. (no par)	.	....	..	...	...	...	...	24½	15
Do. pref.	.	....	73	72	72	73½	45	75	59½
Fraser, pref	7	....	..	...	...	...	...	94½	94½
Good & Worts	$1.00	2.70	37⅛	33⅞	36½	33¾	6807	37⅛	27½
Hamilton Dairies	.	....	24½	23¾	24	24	135	24½	21¾
Illinois Power pref.	7	7.10	98½	98½	98½	99	10	99¾	96
Imperial Oil	$1+25c.	3.29	38¼	37½	38	37	2625	39⅝	32½
Inter. Petroleum	75c.	2.38	32	30¾	30¾	31⅛	1021	35½	29¼
Manitoba Power	.	....	43½	41⅞	43½	42	715	48¾	24
McColl Bros. com.	80c.	....	22¾	22¾	22¾	22	35	24⅜	18⅞
Do. pref.	7	7.03	..	...	...	...	...	99½	95
Mount Royal	.	....	..	...	...	...	...	42¼	42¼
Newsprint Co.	.	....	..	...	...	...	...	27	18
North Star Oil com. (par $5)			..	...	...	...	...	1.25	.75
Do. pref.	7	....	4.75	4.70	4.70	4.75	110	4.90	4.50
Nor. Mex. Pr. com.	.	....	42	42	42	42	65	55	40
Do. pref.	7	843	..	...	...	...	...	85	80
N.S. Car com.	.	....	..	...	...	...	...	15	7½
Ottawa River Pr.	.	....	..	...	...	...	...	25	25
Ottawa Mtl. Pr. pref.	7	....	..	...	...	...	...	48½	48½
Sover. Secs.	.	....	1.65	1.55	1.60	1.60	942	1.65	1.50
Paton Mfg. com.	.	....	..	...	...	...	...	55	50
Do. pref.	.	....	100	98	100	98	90	100	75
Power corp. (no par)	.	....	26	25⅞	26	26	220	28¼	22
Do. pref.	.	....	92	92	92	92	15	92½	92
Pressed Metals	.	....	..	...	...	...	...	40	30
Seagram	.	....	17⅛	14⅞	15½	14⅞	22555	17⅛	14½
Simpson, Robt. pref.	6	6.00	100	100	100	100¼	7	102	99
St. Law. pr. (no par)	.	....	52¾	52	52	54	465	60½	35
Do. pref.	8	7.33	109	109	109	109½	15	109½	103¾
St. Maurice Pr.	.	....	100	99	99	100	215	101	72½
St. Maurice Valley	.	....	61	59	59½	60	352	65	40
Toronto R. S.	.	....	..	...	...	...	...	195	110
Un. Secs. com.	.	....	50	50	50	50	15	65	50
Do. pref.	6	5.71	105	104¾	105	105	267	105	102
Volcania Oil	63c	....	34	34	34	34	73	34	26

D. J. McDougald J. B. McArthur
Government, Municipal and Corporation
BONDS
D. J. McDougald & Co.
Trusts and Guarantee Bldg.,
302 BAY STREET. ELGIN 2278
The Partners Personally Advise as to Investments.

A.J.Pattison, Jr. & Co.
MEMBERS
Toronto Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
Specialists Unlisted Bonds and Stocks
219 Bay Street, (Ground Floor) Toronto
Elgin: 5101-5102-5103 5104-5105-5106

Pulp & Paper

Newsprint Outlook Seems Beclouded at Moment

All Forecasts Indicate That Business Levels in the United States Will be Irregular in Next Six Months — Upon This Depends Newsprint Demand

From Our Own Correspondent.

MONTREAL.—The newsprint facts and figures accompanying this article indicate that unless the United States experiences the boom conditions which prevailed at the beginning and during the current year it is probable that with the great oncoming increase in the output of newsprint there may be some slowing up at the mills. It is possible that such a slowing up — presuming that all the economic forecasts be correct—would unless the output of the United States declines.

Those who buy newsprint stocks for a quick turn on the market are backing their opinion against that of the economists. Those who hold their newsprint stocks for a two, three or four year pull are following the lead of some of the shrewdest and largest investors in the Dominion. The latter recognize that Canada will eventually control the newsprint

Newsprint Situation at Glance

NEW MACHINES COMING INTO PRODUCTION

December, 1926

	Tons
St. Lawrence	160
Manitoba	100
Waterway*	100
Brompton	100
Belgo	100
Port Alfred	100
	660

1st Half of 1927

	Tons
Thunder Bay (March)	100
International (Feb.-June)	450
Ste. Anne's (Mar.-Apr.)	200
Washington* (June)	100
Fort Frances (Mar.)	100
Manitoba (May)	100
	1,050

In Prospect for 1928

	Tons
Misstasini	200
Anglo-Canadian	200
St. Regis	200
Spruce Falls	200
Bathurst	200
N. B. International	250
Fraser	250
Price Bros.	200
Abitibi	200
	1,900

SUMMARY
Present Daily Capacity

	Tons
Canadian mills	6.477
U.S. mills	5.456
Newfoundland mills	670
Mexican mills	50
North America	12,653
To be added:	
In December	660
1st half 1927	1,050
	14,363

*Both mills in U.S.

Projected increase in capacity by June, 1927	13.5%
Increase in capacity in first 7 months, 1926	16. %
Increase in capacity in 1925 (full year)	13. %
Indicated gain in newsprint sales for current year about	17. %
Increase in output since 1914	100. %
Average increase in past 11 years is under	10. %

Business forecast for 1st half 1927:

All indications point to irregular business conditions in the United States. It is not thought that the first half or first quarter of the year will bring expansion in business.

affect the U. S. mills before the Canadian mills.

All business forecasts indicate that both the automotive and building industries slow up somewhat during the next six months and that railroads will probably improve their position. This, of course, applies only to the United States. The broad picture which economists present to financiers is one of a maintenance of business at its present levels without any possibility of increased activity.

Opinions May be Wrong

Obviously, unless informed opinion be wrong, the United States cannot absorb an increase of over 13 per cent. in the newsprint output of this continent. This would mean that Canada might have to turn to overseas markets to absorb some of her output situation on this continent and thus for the long pull, the newsprint stocks are a hold.

The fact that the newsprint stocks look like a sound investment for a long hold must mean that the shares will have their ups and downs in the meantime, whether or not the next six months will be a down period depends upon whether or not economists are correct in diagnosing the various signs and portents which at present appear on the business firmament. The opinion of insiders—and they have been wrong in the past—is that clouds no bigger than a man's hand are already upon the horizon. Such clouds of course affect United States conditions; and it is the latter upon which the demand for newsprint depends.

Mills at One Another's Throats for Wood Soon, Says Ellwood Wilson

From Our Own Correspondent

MONTREAL.—The official figures of the exports of newsprint, sulphite and sulphate pulp, other grades of paper, ground wood pulp, and pulpwood from Canada for the month of August, reduced to cords, amounted to 450,027 cords cut during the month, says Ellwood Wilson, the well-known forest export of the Laurentide Company.

Taking a very liberal estimate of the amount cut per acre, this shows that the equivalent of 119 square miles of forest land are cut over each month, or 1,428 square miles per annum. The new paper machines coming into production before the end of the year would increase this cut per year to 1,532 square miles.

As the shortest possible time necessary to produce a second crop under the present methods of cutting would be between 50 and 60 years, it is obvious that the situation calls for something more than merely "viewing it with alarm."

It would seem as if it were the time to call a halt to the construction of paper mills and the addition of new machines to existing mills, says Mr. Wilson, who goes on to say that this may make for present prosperity, but as these mills will soon be at one another's throats for the possession of the markets, it would seem only the part of common sense to build new pulp and paper mills according to the capacity of the forests of the Dominion.

MATTAGAMI RETIRES MORTGAGE BONDS?

Settlement of Litigation Clears Situation and Opens Way for Reorganization

With the settlement of the litigation, the situation surrounding the Mattagami Pulp and Paper Company has been cleared up. The unsecured creditors of the company claimed that the issue of mortgage debenture stock was invalid and that the unsecured creditors should rank after the bondholders. But the litigation instituted by the unsecured creditors has been ended by the settlement and they will receive from I. W. Killam, president of the Royal Securities Corporation, who purchased the assets of the company, 25 cents on the dollar.

Such a settlement naturally obviates the necessity of a judgment regarding the validity of the $3,000,000 mortgage debentures stock issue.

Many plans leading to the reorganization of Mattagami have been formulated but through one cause or another these have been delayed. Probably there will be little further delay.

Reorganization Plans.

Just how the reorganization will be carried out has not yet been announced, but, at the beginning of the current year, the majority of the debenture stockholders approved a plan whereby a new company would be formed in which the entire issued capital stock would be distributed pro rata to the holders of the old debenture stock. The new company would then issue first mortgage bonds, or other securities, to provide for the liabilities ranking ahead of the debenture stock and also to provide working capital. If it were deemed advisable, provision was made for a voting trust which, during the first few years of its operation, would control the administration of the new company.

Such a plan would naturally mean that the first mortgage bonds, due 1937, of which there are some $1,774.000 outstanding, would be retired in the near future.

Says Big Market Exists For Our Paper in China

The steady demand for paper of all kinds in China is one of the outstanding features of the present disturbed conditions in the import trade, writes Canadian Trade Commissioner L. M. Cosgrave at Shanghai.

The writer has previously pointed out that the demand in China for paper is one that is bound to develop probably more rapidly than for any other individual commodity.

When it is realized that the population of China is nearly 400,000,000, and that of that number only about 50,000,000 are now being served by newspapers and other printed matter, it is obvious that the future market is one that should be studied carefully by all paper manufacturers seeking an expanding market. Interviews with the paper trade in China indicate that the paper makers in Scandinavia, Great Britain, Finland, Germany and the United States are giving the closest attention to the possibilities of the Chinese market.

The most prominent British importers are always open to receive Canadian quotations. In view of Canada's geographical location and excellent transportation facilities, careful consideration of the possibilities of the China market with a view to having well-established connections, which will be able to take care of the demands of this territory in the near future, are strongly urged.

Wayagamack Merger Stories Called Myths

From Our Own Correspondent.

MONTREAL.—From authoritative sources The Financial Post learns that the Wayagamack Pulp and Paper Company is not considering merging with any other newsprint or pulp and paper producer, and that the persistent rumors which have appeared from time to time indicating that the company would take part in some consolidation are absolutely without any foundation of fact whatsoever.

The Wayagamack management may receive offers in the future — but up to the present if offers have been received, they have been turned down. All of which indicates that any continuance of such rumors should be taken with many, many grains of salt.

IS MANIPULATION BEHIND BIG RISE OF LAURENTIDE?

Rumors Name International and Shawinigan, But Probably Due to Manipulation

From Our Own Correspondent.

MONTREAL.—Although J. E. Aldred, president of the Shawinigan Water and Power Company, has denied in no uncertain terms that his company is interested in the acquisition of the Laurentide Company, rumors regarding these two companies have again made their appearance. This time gossip says that Laurentide has practically closed a deal with Shawinigan whereby the Laurentide shareholders will receive for each $100 share in cash and half a share of new Shawinigan stock. The paper mill would then be sold to the St. Maurice Valley Corporation, and the power company would be retained by Shawinigan.

While it is generally admitted that Laurentide may some day figure in a consolidation with one or other of the big newsprint groups, there are many well-informed individuals who believe that the negotiations leading to such a deal have not commenced as yet.

Has Been Much Trading

The tremendous amount of trading this year in Laurentide still remains a mystery. The company has 288,000 shares outstanding and, since August 1 last, over 280,000 shares have changed hands. Despite this large turnover, it seems to be generally understood that the actual control of the company is still in its original hands. Thus, if the large buying which has taken place during the last few months had been an attempt to purchase control of the company, it seems probable that the market price would have gone much higher than its present level.

About the only things which can be learnt regarding the activity of the stock are pure guesses. Two of the best guesses, perhaps, are that the whole movement is simply due to manipulation, or that the International Paper Company has become interested in this long-established and successful newsprint producer.

Is Probably Manipulation

But general opinion is now pretty well veering towards the opinion that all the past market activity has been nothing more nor less than simply manipulation started perhaps by those who felt that the Laurentide shares were selling out of line some months ago. About the only thing the shareholder can do is to entirely disregard any of the myriads of rumors—some wise and some otherwise —which still continue to fly from tipster back to tipster.

In view of the activity in the stock, the following market record during the current year will be of interest:

Month	Sales	High	Low
January	9,409	89¾	84¾
February	22,803	93½	86
March	8,425	90½	x86¼
April	3,679	87½	84½
May	8,857	86¾	81½
June	9,975	88¾	x85¾
July	8,680	91	86½
August	94,893	108½	88½
September	92,075	x111½	101½
October	65,108	114¾	105
November	29,286	114⅝	105¼

xEx-dividend.

Chemical Pulps Have Less Keen Competition

From Our Own Correspondent.

MONTREAL.—Two new factors have recently combined to improve somewhat the general outlook for Canadian pulp producers. The first is the reduction in the price of rayon which naturally tends to increase the consumption of sulphite pulp from which a large percentage of rayon is manufactured. This is the second price cut in artificial silk this year. The first took place in July. Both reductions were in the neighborhood of ten per cent.

The second factor is the recent rise of the Norwegian krone. On October 15 last, the pulp mill strike in Norway was settled, but since that time the krone has appreciated considerably and has thus recreated at least some of the difficulties in which the industry in that country found itself and which brought about the strike of the workers this autumn. The coal miners strike in Britain has also increased the price of coal very largely in Norway. Difficulties such as these can not but fail to have a direct bearing on the amount of pulp which Scandinavia will export to the United States over the next few months and should to some extent prove favorable to the Canadian producers.

The agreement settling the Norwegian strike covered a six months period only. As one of the handicaps of the industry have reappeared with the rise of the krone, there is the possibility that exports next spring may make a further decline should further difficulties arise with the pulp mill workers.

St. Maurice Valley Plans to Buy Canada Paper

The St. Maurice Valley Corporation has called a special meeting of shareholders for December 14, to approve an increase in authorized capital by creation of 350,000 shares of no-par value common. The present capital consists of 150,000 no-par common shares, all issued, and $10,000,000 of preferred, of which $6,800,000 is issued.

St. Maurice plans to acquire the Canada Paper Co. for 10,000 shares immediately, and it is reported that control of Wayagamac and Port Alfred Paper companies may be bought later.

ROLLAND

Six Standard "R Shield" Bonds
SUPERFINE
LINEN RECORD
EARNSCLIFFE
LINEN BOND
EMPIRE
LINEN BOND
COLONIAL BOND
SERVICE BOND
MOUNT ROYAL BOND

"Pinxi"

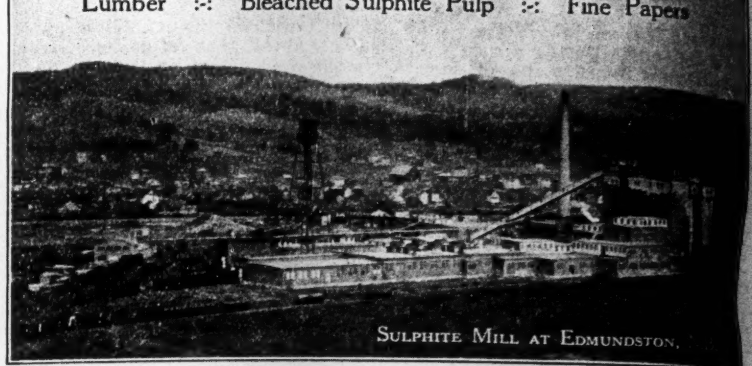
In ancient days masters of the brush marked "Pinxi" on their finished paintings as a mark of personal pride in the achievement. "Pinxi"—"I did it."
The "R Shield" watermark in paper is a mark of identification. It definitely establishes it as a "Rolland" product and signifies the maker's willingness to accept the responsibility for its quality and performance.
The "R Shield" watermark guarantees that the sheet is made up to a standard of quality upon which the maker has built up a splendid reputation over a period of nearly half a century.
Insist on Rolland paper, and look for the "R Shield" mark—to see that you get it.

THE ROLLAND PAPER CO., LIMITED
High Grade Paper Makers Since 1882.
MONTREAL
Mills at St. Jerome and Mont Rolland, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

The Mark of Quality
ROYAL RECORD
a Canadian-made Paper of regal quality
worthy for every purpose
where the printed message
must reflect
the character, stability and dignity
of the user.
Ask your Printer—he knows
HOWARD SMITH PAPER MILLS LIMITED
MONTREAL

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers



Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

St. Maurice Valley Corporation
Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office: MONTREAL—QUEBEC

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Mills
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Bank of Montreal Shows Increased Earning Power

Net and Gross Earnings Make New High Record

SAVINGS DEPOSITS UP

Assets Rise by Over Twenty-five Million Dollars — Loans Increase as Business Better

From Our Own Correspondent

MONTREAL. — Although the annual report of the Bank of Montreal for the year ending October 31, shows a substantial and satisfactory increase in both the gross and net profits yet, as far as the general public is concerned, the most significant thing about the report is the fact that savings bank deposits show an increase of over $44,000,000, whilst current account deposits have fallen off some $20,000,000 and current Canadian loans have increased over $27,000,000.

These changes in the balance sheet figures indicate clearly the expansion which Canadian business has undergone during the year. The improved business conditions have brought about increased savings whilst the decline in current account deposits simply indicates that business generally has found a better use for its funds for purposes of business expansion.

The strides which the bank itself has made are revealed in an increase of over $25,000,000 in total assets, which now amount to $781,525,145. Of these, the liquid assets are equal to over 60 per cent. of the liabilities to the public.

Earnings Break New High Ground

With earnings just slightly below the $5,000,000 mark, the bank makes a new high record this year. The liquid assets are somewhat lower than in 1925 and total $424,919,084, as against $450,459,068 last year. The holdings of government securities also show a decline and total $79,157,614, as compared with $96,542,710 at the end of the 1925 fiscal year.

After paying all charges and dividends the sum of $300,000 was written off bank premises account; the latter now stands at $11,800,000.

Foreign call loans stand at $145,325,247, an increase of over $23,000,000 from last year. The overdue debts account stands at $2,494,423, as compared with $2.707,669 last year.

The profit and loss figures during the past three years compare as follows:

	1926	1925	1924
Profits ...	$4,978,133	$4,604,962	$4,454,504
Govt. taxes	319,167	291,389	412,500
Balance	$4,658,966	$4,313,573	$4,042,004
Dividends	4,188,338	4,161,671	3,815,000
Balance	$ 470,628	$ 151,902	$ 227,004
Prev. bal	596,788	761,586	659,582
Totals	$1,067,416	$ 912,488	$ 886,586
Premises	300,000	....	125,000
Balance	$ 767,416	$ 912,488	$ 761,586
Rest	....	316,700	....
Balance	$ 767,416	$ 596,788	$ 761,586
P. C. earned on capital	15.5	14.4	14.8

The Financial Post's analysis of the statement follows:

IMMEDIATELY AVAILABLE LIQUID ASSETS

	$ 1926	$ 1925	$ Change
Specie	32,527,125	36,866,745—	4,339,620
Dom. Notes	50,884,510	49,962,661+	921,849
Note cir. dep.	1,420,788	1,282,241+	138,547
Call loans abroad	145,325,248	122,075,981+	23,249,267
Bank bal.	19,859,311	18,046,922+	1,812,389
Cheques	26,337,108	49,594,159—	23,257,051
Gov. secs.	79,157,614	96,542,711—	17,385,097
Gold res.	17,000,000	17,000,000	....
Notes, bank	3,822,424	3,935,077—	112,653
For. curr.	825,684	690,979+	134,705
	377,159,812	395,997,476—	18,837,664
% total assets	48.2	52.4—	4.2
% total liab. to pub.	52.4	57.1—	4.7
Other Assets			
Pub. Secs.	29,230,754	39,937,592—	10,706,838
Other secs.	4,463,251	3,666,616+	796,635
Call loans	15,486,054	12,139,625+	3,346,429
Current	252,338,859	225,219,598+	27,119,261
Elsewhere	53,442,277	28,884,186+	24,558,091
Non. Curr.	2,494,424	2,707,670—	213,246
Mun. loans	17,074,131	15,983,360+	1,090,771
Premises	11,800,000	12,150,000—	350,000
Lets. of cr.	13,952,191	13,897,942+	54,249
Mortgages	1,209,616	1,384,198—	174,582
Real Estate	917,533	861,348+	56,185
Shares, loans	1,415,727	1,482,430—	66,703
Other assets	540,516	835,834—	295,318
	404,365,333	359,150,399+	45,214,934
Tot. assets	781,525,145	755,147,876+	26,377,269
Liabilities to the Public			
Circulat'n.	47,175,989	46,761,184+	414,805
Dem. dep.	132,034,727	152,552,339—	20,517,612
Savings	515,925,641	471,845,303+	44,080,338
Due banks	2,346,485	2,465,107—	118,622
Due else	5,952,615	4,591,680+	1,360,935
Lets. of cr.	13,952,191	13,897,942+	54,249
Bills pay.	1,181,900	447,775+	734,125
Other liab.	848,227	647,995+	200,232
	719,417,775	693,209,325+	26,208,450
Liabilities to Sharehloders			
Capital	29,916,700	29,916,700	....
Reserve	29,916,700	29,916,700	....
Dividends	1,506,553	1,508,362—	1,809
Balance	767,417	596,788+	170,629
	62,107,370	61,938,550+	168,820
Total liab.	781,525,145	755,147,876+	26,377,269

Dominion Bank Pays Thirteen Per Cent.

Directors of The Dominion Bank, have declared the usual dividend of three per cent. for the quarter ending 31st December, 1926, together with a bonus of one per cent, making a total distribution to the shareholders for the current year of thirteen per cent.

BESCO TO SHIP COAL OUT OF LOUISBURG

Repairs Dock to Give It All-Winter Port to Meet British Orders

From Our Own Correspondent

SYDNEY.—In anticipation of the heaviest winter's shipping since the war, the Dominion Coal Company is repairing and putting in first class shape its terminal piers at Louisburg. From this ancient port (after Sydney freezes up, which may be early in January), hundreds of thousands of tons of coal will be shipped overseas to Great Britain.

At least 100,000 tons will be sent from Louisburg to Montreal, via Portland, Me.

The only draw-back is that Louisburg has not the capacity of the more modern Sydney piers.

It is understood that if the coal outlook continues good, the company will construct a new steel pier at Louisburg some time next year.

Huge outputs continue daily, the best recent example being 19,402 tons against 20,010 raised on July 27, 1915, the war time record. On the same day the combined Besco output was the best since the merger—26,824 tons.

The last cargo up the St. Lawrence route was shipped to Montreal in the S. S. Egham, which left here with 7,500 tons on November 25. The day before, the Daghild, largest ship of the Black Diamond fleet, started with 11,000 tons for Quebec.

Even Inverness, which has had the hardest hard luck in the history of coal mining in Nova Scotia, is now working full time as a result of the current boom.

Fallis Has 27 Year Record With Paint Co.

In becoming president of Sherwin-Williams Company of Canada, W. S. Fallis succeeds Walter H. Cottingham, who has occupied the post of president since the formation of the company. Mr. Cottingham has resided in England for a number of years and now becomes chairman of the company. The promotion of Mr. Fallis comes after a long period of service with this big paint organization.

Mr. Fallis is a native of Ontario, having been born in the township of Wallace, Perth County, in the year 1868. Educated at public school and later at high school in Harriston, Ontario, Mr. Fallis began his career with the T. Eaton Co., Toronto, in 1889. Later on he entered the selling field as traveling representative of the Gould Bicycle Co., Ltd., Brantford, and afterwards held a similar position with the Welland Vale Manufacturing Co., Ltd., at St. Catharines.

In November, 1899, Mr. Fallis began his connection with the Sherwin-Williams Co. when he took over the Western Ontario territory in the company's interest, later being transferred to the Maritime provinces and Newfoundland. Some time later we find him doing big things for the company's trade in the British West Indies and then, in 1902, carrying on with marked success as European representative with headquarters in London, England.

After two years in this field, during which he developed Sherwin-Williams business in Great Britain and Continental Europe, Mr. Fallis returned to Canada and again took charge of the Maritime end. Transferred to Winnipeg in 1908, he held control of the company's Western interests extending from Fort William to the Pacific coast. During this period of service he successfully occupied the position of sales manager and manager.

In 1918, Mr. Fallis was appointed the company's manager, taking up his new duties at the Montreal headquarters. Two years afterwards he took over his duties as vice-president and managing director, a position which he ably administered up to the moment of his recent appointment as president.

Douglas A. Whittaker, who has for many years occupied the position of secretary-treasurer, succeeds Mr. Fallis in the office of vice-president, while W. C. Cottingham, a director of the company, will hold the position of assistant to the president.

B. C. FISHING AND PACKING

There have been added to the list of the Toronto Stock Exchange 6,886 additional shares of the British Columbia Fishing and Packing Company.

FUR FARMS BRING $3,600,000 REVENUE

Industry Now One Involving Over 2,200 Farms in Canada With $13,000,000 Invested

Preliminary figures on the fur farms of Canada for the year 1925 indicate continued expansion of the industry. During the five-year period, 1921 to 1925, the number of fur farms rose from 806 to 2,268, while the value of property increased from $7,566,845 in 1921 to $13,076,048 in 1925—increases of 181 per cent. in number of farms and 73 per cent. in value of property.

The number of fur farms in operation in 1925 comprised 2,117 fox farms, 59 mink farms, 50 raccoon farms, five skunk farms, four marten farms, three fisher farms, seven coyote farms, one badger farm, 14 chinchilla rabbit farms, six rabbit farms, one Siberian hare farm, and one Caracul sheep farm—a total of 2,268 farms.

The total value of fur-bearing animals on the farms at the end of the year 1925 was $9,793,377, to which the fox farms contributed $9,727,146 and the miscellaneous fur-bearing animal farms, $66,231. The silver fox branch of the industry is of chief importance, the value of these animals in 1925 representing 96 per cent. of the total value of all fur-bearing animals on the farms. The number of silver foxes was 41,787, with a total value of $9,432,097, compared with 31,204, valued at $8,095,181 in 1924. The blue fox industry shows considerable progress, the number of this kind increasing from 216 in 1924 to 871 in 1925, and the value from $39,166 to $127,565. The mink in captivity numbered 988, valued at $36,961; and the raccoon, 441, valued at $6,437. The Chinchilla and other kinds of rabbit on the farms totalled 2,033, with a value of $16,747. On a number of the fox farms, other kinds of fur-bearing animals are raised as well as foxes. A classification of fox farms has been made which groups the farms according to the number of foxes on each farm. This classification shows 524 farms with less than five foxes each; 541 farms with from five to nine foxes; 518 with from 10 to 19 foxes; 204 with from 20 to 29 foxes; and 330 farms with 30 or more foxes.

The revenue derived by the fur farmers from the sale of live fur-bearing animals and of pelts totalled $3,661,616, an increase over the preceding year of $443,566, or 14 per cent. Increases are shown in the sales of both live animals and pelts. The number of live fur-bearing animals sold in 1925 was 15,906, with a total value of $2,885,710, an increase of 2,865 in number and of $332,280 in value. The number of pelts sold was 11,227, valued at $775,906, compared with 7,339 pelts, valued at $664,620 in 1924. Silver fox has the high record of 12,004 live animals sold with a total value of $2,744,143, and 8,922 pelts sold, valued at $730,812. The highest average value shown by any one farm for live silver foxes sold was $989, while the highest average for pelts was $400. The general average for the whole of Canada for live silver foxes sold was $229 and for pelts, $82. Next in importance is blue fox, with 297 live animals sold, valued at $65,620.

Spruce Falls Company Makes Good Progress

From Our Own Correspondent.

MONTREAL.—The construction program of the Spruce Falls Company at Kapuskasing, Ontario, is well in advance of schedule. The railway to Smokv Falls has been completed and preliminary construction work is in progress at the site of the projected power dam. The power plant will produce 50,000 horsepower and will be ready for operation next year. The entire output of the power plant will be used in the new paper mill. The construction program of the company calls for the production of newsprint on July 1, 1928. The ultimate output of the mill will be 550 tons of newsprint per day.

STEAMSHIPS ISSUE LIST

The old shares of the Canada Steamsip Lines, Limited, 120,000 shares of common, $100 par, and 125,000 shares 7 per cent. preferred, $100 par, have been withdrawn from the list of the Toronto Stock Exchange, and have been replaced by the new issues, exchanged under the reorganization arrangement of some months ago. The new issues listed include 120,000 shares of no par common stock, and 150,000 shares of 6 per cent. preference of $100 par.

The Royal Bank of Canada

Head Office, Montreal

Condensed Statement to the Dominion Government

October 30, 1926

LIABILITIES

Capital Paid up	$ 24,400,000.00
Reserve Fund	24,400,000.00
Undivided Profits	1,249,435.32
Notes in Circulation	41,415,283.94
Deposits	609.214,076.40
Due to other Banks	17,663,521.24
Bills Payable (Acceptances by London Branch)	6,363,005.66
Letters of Credit outstanding	34,371,283.28
	$759,076,605.84

ASSETS

Cash on Hand and in Banks	$108,894,784.02
Deposit in the Central Gold Reserves	18,000,000.00
Government and Municipal Securities	100,488,650.20
Railway and other Bonds, Debentures and Stocks	20,581,188.04
Call Loans in Canada	29,650,389.77
Call Loans elsewhere than in Canada	64,597,510.24
	$342,212,522.27
Loans and Discounts	363,176,737.03
Liabilities of Customers under Letters of Credit as per contra	34,371,283.28
Bank Premises	14,488,330.19
Real Estate other than Bank Premises	2,20[illegible],720.32
Mortgages on Real Estate sold by the Bank	1,382,012.75
Deposit with Dominion Government for Security of Note Circulation	1,245,000.00
	$759,076,605.84

876 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.

Auxiliary: THE ROYAL BANK OF CANADA (France)

SASKATCHEWAN

Saskatchewan's Dominant Dailies, together with Saskatchewan's only Farm Magazine, give Maximum concentration, tremendous buying power and complete coverage in this Great Market at an unusually low outlay.

The Province of Big Things

CANADA'S Foreign Trade has more than quadrupled in 20 years and almost doubled in the last ten years. For the fiscal year ending 31st March, 1926, the figure was $2,255,939,869.

No other country or state in the world has approached the rate of expansion indicated by these official figures. The largest increment of it is represented in field crops and live stock. Saskatchewan is by far and away the greatest contributor to this increment and her increase in productive immigration is greater proportionately than to any province in the Dominion.

British net immigration to Canada has exceeded that to the U. S. A. and to all other overseas foreign countries each year since the war. Saskatchewan province has received and will continue to absorb the greater numbers of agricultural immigrants, and present commitments and prospects point to a record year of new settlement in 1927.

To get into the swim of this great march of progress with your goods instantly, permanently and profitably there is only one medium—the combined selling force of Saskatchewan's outstanding Daily Newspapers—Regina Morning Leader and Evening Post; Saskatoon Morning Phoenix and Evening Star and Saskatchewan's only Farm Magazine, "Saskatchewan Farmer."

This great selling co-operation concentrates on and covers the province. These great journals regularly visit over 85,000 homes in Saskatchewan and it is a safe estimate to place their interested readers at over half-a-million.

SASKATCHEWAN "THE WORLD'S WHEAT BIN"

Morning Leader and Evening Post REGINA

Morning Phoenix and Evening Star SASKATOON

Saskatchewan Farmer - Semi-Monthly, Regina

Eastern Manager: A. E. Ford, 1105 Bank of Hamilton Building, Toronto

Phone Elgin 4622

Wabasso Cottons are Canada's best

Cambrics, Voiles, Shirtings, Sheetings, Broadcloths and other fine white cottons; a complete range of fine Coloured Cottons; Yarns, Corset Fabrics, etc., Wacosilke, an exclusive, new fabric, made from finest Wabasso combed yarns and Celanese Brand yarns combined.

The Wabasso Trade Mark is a guarantee of highest quality cotton fabric; none finer, anywhere.

THE WABASSO COTTON COMPANY, LIMITED
Three Rivers, Que.

Public Utilities

SOUTHERN CANADA HAS SUBSTANTIAL PROFITS IN YEAR

Gross and Net Both Up—Substantial Surplus After Dividends

From Our Own Correspondent.

MONTREAL.—The thirteenth annual report of the Southern Canada Power Company for the year ending September 30, 1926, shows an all round improvement, both in the balance sheet and in the company's earning power. There has been a further increase in the number of customers served, and the company's total output of energy was increased very largely during the year through the opening of its new plant at Drummondville, P.Q.

The following figures of the profit and loss account and the working capital position over the past three years reveal the satisfactory improvement in the gross earnings, coupled with an even larger improvement in the net:

	1926 $	1925 $	1924 $
Gross earnings	1,389,131	1,213,665	1,150,863
Purchased power	12,163	93,908	129,742
Operation	298,982	269,472	240,393
Taxes	82,038	62,249	45,679
Maintenance	82,387	74,470	63,570
Net	913,561	713,566	671,479
Depreciation	138,900	121,365	115,100
Bad debts	6,930	6,020	5,750
Interest	333,068	269,305	270,958
Balance	434,663	316,876	279,671
Preferred divs	286,074	227,089	179,088
Common divs.	100,000	100,000	100,000
Balance	48,589	* 10,213	583
Prev. bal.	117,776	127,989	127,406
P. and L. bal.	166,365	117,776	127,989

*Debit.

	1926	1925	1924
Customers served	20,065	18,269	16,217
K. W. H. output	122,218,857	84,511,912	48,734,743
Working Capital			
Current assets	1,299,079	391,590	841,274
Current liab.	360,740	1,337,980	435,468
Net work. cap.	938,339	†946,390	405,806

†Deficit.

Balance Sheet Changes

In the balance sheet, the plant account has been increased by over $1,600,000 during the year. The company's holdings of cash and bonds of the highest grade amount to over $869,000, as compared with only some $6,000 last year. Accounts receivable and notes receivable also show a substantial gain, whilst investments now total $40,282, as against $14,783 last year.

The funded debt has increased from $5,507,023 last year to $7,100,555 this year; but notes payable, which last year amounted to $525,000, have disappeared from the balance sheet. The accounts payable have shown a substantial decrease and total $172,456, as against $686,660 last year. The depreciation and profit and loss accounts show the satisfactory increases revealed in the foregoing profit and loss account.

In reviewing the operations of the company during the year, the annual report says in part:

"The customer-ownership campaign, which was held in October, 1925, was remarkably successful, 10,653 preferred shares being sold to 2,579 customers in less than ten hours, bringing up the total number of our registered customer-shareholders to 5,610. This year, no such campaign will be held, as the company does not contemplate doing any extensive construction work following, instead, a well defined program towards improving its service by installing high tension lightning arresters and high tension circuit-breakers, etc., at several points throughout the system, notedly at St. Hyacinthe, St. Johns, Actonvale, Sherbrooke, Magog, Granby, Farnham, Foster, West Shefford, Richmond, Cowansville, etc. Through the sale, at $80, of 10,000 of the company's no par value common stock, ample funds were secured to take care of the service improving and extensions program now being carried on.

Increased Power Output

The past year has seen the completion of the extensions at the Drummondville plant, which has a generating capacity of 18,000 h.p., adding 12,000 h.p. to the power resources of the company, which now total nearly 60,000 h.p.

The efficient work of the commercial and operating departments resulted in the greatest output of kilowatt hours in the company's history and the establishment of a record peak load. The total amount generated increased to 122,218,857 kilowatt hours, an increase of 44 per cent. over the 1925 figures.

The company now serves 83 municipalities, having added during the year: Eastman, Ste. Brigide, Stanbridge East, Ste. Helene de Bagot, Warden, Roxton Pond, St. Jude, Roxton Falls, St. Barnabe, Canrobert, Ste. Angele and West Brome. Some of these towns are not yet connected to our system, but those that are now getting our service have added 1,798 to the total number of our customers.

The development of our system has necessitated the building of several new lines to improve present service as well as serve the new municipalities that have been added. Prominent among these are the St. Johns-Adamsville line, the Cowansville-Sutton line, the new line to Stanbridge East, the Farnham-St. Cesaire line, the East Angus-Cookshire line and also the Warden, Canrobert and Eastman lines.

Continues to Expand

The territory we serve continues to expand industrially. During the last year, the Canadian Celanese Company established a large plant at Drummondville; the Stuebing Truck Company located at Granby; the Walter Blue Company moved their factory to Waterville; the Draper-Maynard Company built a plant at Sutton and the Empire Clothing Company located at St. Hyancinthe. Such thriving industries as the Bruck Silk Mills (Cowansville) and the Franco-Canadian Dyers Ltd. (St. Johns), who were already established in our territory have built extensions to their respective plants to take care of their increased business.

The demand for our electrical current for both domestic and industrial requirements continues to increase, due to the new municipalities served, the new industries established in our territory as well as a better appreciation by our customers of the many and varied uses for electricity in connection with modern electrical appliances. Thus our sales of electrical appliances reached $175,000, as compared with $157,000 during the previous year."

TALKS WITH INVESTORS

Market Valuation, How to Judge it

By S. J. Z.

One of the first things an investor assures himself of before investing is value. He asks himself "Is it a good buy?" or "is the price too high?" or "am I getting good value for my money?" That brings us to the matter of market valuation.

When the market value of the outstanding securities which comprise the capital structure of a company is substantially greater than is warranted by the assets or the probable or demonstrated earning power of the company, they are said to be over valued. It may be over-capitalized as well, but here we are discussing over-valuation. Over-capitalization is a relative thing, which is hard to label and draw fast lines around. It is most apparent when the securities outstanding are so large that a reasonable dividend declaration cannot be made on the common stock for years.

To get back to valuation, it might therefore be interesting to discuss a yard stick of valuation.

What is Over-Valuation?

Suppose we compare two companies of a similar type in the same industry, A and B, and find that the market valuation for A is three times that of B. We learn further that the net value of the assets of A is twice that of B, while on the other hand the earnings of A and B run neck and neck. Off hand the investor might be tempted to say that the securities of B are a good buy—they are undervalued, while those of A are over-valued. We may look little farther and try and account for the actual difference in valuation, and we find that A has demonstrated earning power extending over a period of years, while B's earning power is not proven but probable. The great fallacy of such a comparison is that it only covers two companies, which isn't a sufficient number for us to set up any standard to judge by. On such a comparison the investor would not know which is over-valued or which is undervalued.

One of the largest investment banking houses in the United States, after years of experimenting, has worked out a "rule of the thumb" yardstick, which could apply only to the companies engaged only in a like business with a demonstrated ability to earn, and for whom a somewhat similar future obtains. This firm has learned that one of the most intelligent methods of calculating a proper valuation—and even capitalization—is to determine the number of years of earnings which are discounted or anticipated by the total market value of the bonds and shares of an industrial corporation. Admittedly, this rule in itself means little, but when the results of a company are compared with an average of a number of companies in the same industry astonishing results can be achieved. This is not the only yardstick of capitalization but one which might prove very helpful.

Applying the Rule

Let us take an example. I am a buyer of oil securities. I have in mind the purchase of securities for the company. To apply the rule as to whether these securties are over-capitalized, I would find the market value of the bonds and shares of that company on a certain date. I would then investigate the average earnings for ten years of that company. By dividing the average earnings into the market valuation of all outstanding stocks I could determine the number of years the earnings are discounted for the company. By peforming a similar operation upon other companies in the same field the average number of years of earnings which are anticipated by the market value of the bonds and shares to these companies can be computed. I then ask myself how the number of years of earnings of the security I want to buy compare with the average.

The method offhand appears cumbersome, but in reality is quite simple, after one has selected three or four companies for the test. It might place too great a stress on earning power, but often all physical value of asse s are to be placed in second place.

'Peg Electric Company Sells Customers Shares

From Our Own Correspondent.

Montreal.—It is understood that the call price of the preferred shares of the Winnipeg Electric Company has been raised from par to 105. This was done at the time the directors increased the authorized preferred capital stock from $3,000,000 to $10,000,000.

It is thought probable that the company will issue around $500,000 of this new authorized issue of preferred very shortly; the stock, it is said, will be offered only to the customers of the company and the proceeds of the issue will be used in increasing the local distribution facilities.

The earnings from the tramways department of the company have been steadily increasing and a conservative estimate places the increase in street car riders in Winnipeg for 1926 at 1,500,000 over the 1925 figure. This increase is directly attributable to the improved business conditions which are prevailing in Winnipeg. From 1921 to 1924, this department of the company's activities showed diminishing returns, but since 1924 the trend has been slowly but steadily upward.

Of course, the largest increase in the company's business is in its sales of electricity, which for the first nine months of 1926 showed an increase of about 16 per cent. over the corresponding period of 1925. A part of this increase has been due to the opening or the new Hudson's Bay Company's store and to the construction operations being carried out by the Manitoba Pulp and Paper Company on the Winnipeg River. The latter company will soon enter production, at which time its power requirements will increase.

Canadian Western Gas Seeks Extension of Field

Following on the proposals made to Moose Jaw and Regina, the Canadian Western Natural Gas, Light, Heat & Power Co. Ltd., has written to the city of Saskatoon, offering to supply that city with natural gas.

C. J. Yorath, general manager of the company, made no definite proposal, the letter being more or less of a general nature. At a meeting of council it was decided that although it was not prepared to commit itself, it would be prepared to consider the question, if a definite proposal including all necessary information was submitted.

ALCOHOL COMPANY HAD RECORD YEAR; POSITION BETTER

Record Gross and Net is Coupled With Large Depreciation Allowances

From Our Own Correspondent

MONTREAL.—The annual report of the Canadian Industrial Alcohol Company for the year ending September 30, 1926, contains no remarks to the shareholders—it does not need them, for the figures alone tell a very eloquent tale of largely increased earnings and a very decided strengthening of the company's financial position. The earnings applicable to the dividend requirements showed an increase this year of 56 per cent. The surplus after dividend payments during the year amounted to $1,085,851—over three times as great as last year.

The results which have been obtained are clearly demonstrated in the following figures which compare the income account and working capital position at the close of the last three fiscal years:—

	1925-26	1924-25	1923-24
Net profit ..	$2,109,851	$1,359,026	$1,515,310
Dividends .. .	1,024,000	1,024,000	800,000
Year's surp.	1,085,851	335,026	715,310
Prev. surp. ..	1,631,489	1,296,463	420,599
Total	2,717,340	1,631,489	1,135,909
Adjust.	....	....	160,554
P. & L. bal. ..	2,717,340	1,631,489	1,296,463
Earned on stock	2.63	169	1.89
Working Capital	1926	1925	1924
Curr. assets	$4,272,427	$3,340,254	$2,637,773
Curr. liabs.	1,146,587	2,370,344	1,583,015
	$3,125,840	$ 969,910	$1,054,768

Changes in the balance sheet show that more than $1,100,000 has been written off property account. This is the more significant in view of the large increase in net profits which is shown in the foregoing figures after writing off depreciation. Inventories which are held at cost in the balance sheet, have increased by about $600,000 and cash on hand totals $544,178, more than twice the total at the close of the 1925 year.

In the liabilities, the chief change is the disapperance of the bank loans which last year amounted to $1,460,000. Surplus account has increased by the amount shown in the foregoing income account figures.

The results which have been achieved are very impressive and it is obvious that the accounting methods which have been employed are of very conservative and sound character.

Sherwin-Williams Changes Indicate Developments?

From Our Own Correspondent.

MONTREAL.—The changes in the executive of Sherwin-Williams, coupled with the retirement of its bonded indebtedness indicate the possibility of further consideration being given to increasing the return to the shareholders.

Lowe's Reports Profits.

NEW YORK.—Report of Loew's Inc., and subsidiaries for year ended August 31, 1926, shows net profit of $6,388,200 after depreciation amortization. Federal taxes and other charges, equivalent to $6.02 a share earned on 1,060,780 shares of no par capital stock. This compares with $4,708,631, or $4.43 a share in the previous year. Profit and loss surplus on August 31 last, was $10,623,080 against $6,375,309 a year ago.

Trail Smelter Receipts

The Consolidated Mining and Smelting Company makes the following statement of ore receipts at Trail Smelter from 15th November to 21st November, 1926, inclusive, and from 1st January, 1926, to date, in tons:

	Week.	Year.
Company's mines	9,410	368,006
Other mines	4,409	148,141
	13,819	516,147

Christie, Brown Bonds

The directors of Christie, Brown & Co. have retired an additional $50,000 of its bonds, leaving only $600,000 outstanding of the $1,000,000 6 per cent. bonds issued in May, 1925.

Buffalo Quotations

BONDS	Bid	Asked
Buff. Elec.-Chem. 7s '41	99½	101½
Bfo-Ft. Erie Bdge 7s '55.........	107	108
Do. 8s '45	107	108½
Buff. Gen. Elec. 1st 5s '39.......	102½	...
Do. ref. 5s '39	102¾	...
Niag. Falls Pow. ref. 6s '32.....	105	106
Do. 1s & con. 6s 1950...........	105¼	106¼
STOCKS		
Buff. Niag. & E. Pow.	29½	30¼
Do. pf.	25¼	25¾
Niagara Falls Pow. pf.	28	28¾
Niagara Lock & Ont. pf........	112½	114½
Shredded Wheat new	50	54

Public Utility Earnings

WINNIPEG ELECTRIC

October—	1926	1925	Incr.
Gross earn.	$492,698	$476,913	$ 15,784
Oper. Exp. .. .	320,672	314,399	6,273
Net Earn.	$172,025	$162,514	$ 9,511
10 mos end Oct. 31st—			
Gross earn. ..	4,552,053	4,354,991	197,061
Oper. Exp. ...	3,912,613	3,155,357	37,256
Net Earn.	1,359,439	1,199,634	159,805

BARCELONA TRACTION

October	1926 Pesetas	1925 Pesetas	Inc. Pesetas
Gross earnings	7,348,480	7,270,724	77,756
Oper. expenses	2,699,257	2,696,615	......
Net earnings ...	4,679,223	4,574,109	105,114
Aggre. gross from Jan. 1	73,942,425	70,931,194	3,011,231
Aggre. net from Jan. 1	47,786,875	46,391,977	1,394,899

CAPE BRETON ELECTRIC

	September 1926	September 1925	Incr.
Gross Earn.	$50,711	$45,432	$5,278
Oper. Exp. & Taxes	38,330	35,039	3,291
Net Earn.	$12,380	$10,393	$1,987
Int. charges	5,707	5,718	x10
Bal. (for res., retire- and div.) ...	$ 6,672	$ 4,674	$1,997
12 Months Ending—	Sept. 30 1926	Sept. 30 1925	Incr.
Gross earn.	$603,980	$571,658	$32,321
Oper Exp. and Taxes	485,369	493,698	x8,329
Net Earn.	$118,611	$77,960	$40,650
Int. charges	69,022	68,746	275
Bal. (for res., retire- and div.)	$49,589	$ 9,213	$10,375

xDecrease.

VITAL FACTS - AT HAND -

A Barometer of Business Financial and Industrial Conditions

The Financial Post Survey that pioneered an entirely new field, giving the facts of Canada's progress, has justified itself in a thousand ways. It has proved itself a reliable guide and assistant to mercantile, business and financial men. With each year its scope has broadened and its service has improved. The 1927 volume, off the press the end of December, will set a new record. This new issue offers a super service — more facts, more charts to quickly picture the facts — which will give the Financial Post Survey 1927 a still more established place in the business and financial bookshelf.

The Financier

What are the assets behind Saskatchewan or Newfoundland bonds?
What are the Succession duty obligations in Ontario?
What are the bank debits?
What bank has a branch in Bogota?
How much insurance was written in 1924?
Stray questions asked at random, but they serve to show the scope of information in this volume, that can serve the financial man. To have the answer to these, and a thousand pertinent questions bearing on Canada's development and so on business in Canada, will mean much to financial and business men.

The Manufacturer

No one more urgently needs a handy compendium of facts and figures than you.
What did Australia buy from us last year? The figures are about the office somewhere, perhaps, but where? Where are they at that moment when they are needed to decide a policy or to clinch an argument?
What chance have we with our products in Newfoundland?
How are general business conditions in Argentine or Cuba? How much of our general class of products are they handling now?
What are collection probabilities in the West?
You can think of many questions that you have asked. You will probably find the answers in The Financial Post Survey; and you will find it easily, for the book is thoroughly indexed.

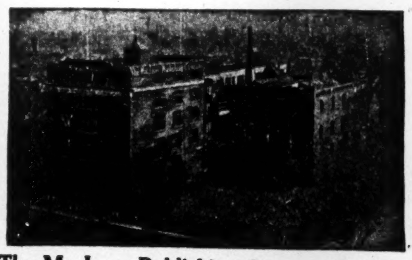
The Salesman

Whether you are the salesman who actually covers the ground, or the manager of salesmen, who sits in an office and tries to keep a finger on the pulse of business conditions, you will find in this Survey, the definite assistance you need. Centres of population, buying power of special districts, collection conditions, general circumstances of communities, such as nationality or religious faith, that indefinitely affect sales. It is all here with a wealth of other information of value, in a compact, serviceable and carefully indexed volume.

The Student of Affairs

The man in public life, political or municipal; the investor with large interests; the man who is anxious to be of service to his country as an honest citizen; you will realize that behind the interests and enthusiasms is the need for sound information in a readily available form.
All this may be had in a single volume handsomely bound in grey buckram; price $2.00.

THE FINANCIAL POST SURVEY 1927



The MacLean Publishing Company, Limited
Largest business paper publishers in the British Empire.
Publishers of
The Financial Post (weekly) $5.00 a year.
The Financial Post Survey (Annual) $2.00 a vol.
The Financial Post Record of Prospectuses, (semi-annual) $5.00 a volume.
The Financial Post Survey of Mines Annual, $1.00 a volume.

Please reserve for me .... copies of The Financial Post Survey for 1927 at $2.00 per copy. For this I agree to pay $......... The book will be delivered immediately upon publication well before the end of December.

Name ....

Address ....

Other MacLean Papers are:
MacLean's Magazine, Canadian Grocer, Dry Goods Review, Men's Wear Review, Canadian Printer and Publisher, Bookseller and Stationer, Hardware and Metal, Canadian Machinery and Manufacturing News, Power House, Canadian Foundryman, Canadian Automotive Trade Journal, Drug Merchandising, Sanitary Engineer, Canadian Homes and Gardens, Trade Abroad.

RAILWAY WAGES REDUCED LEAST OF ALL INCOMES

Facts Hardly Justify Claim of Men For More Money

ADD TO FREIGHT RATES

Any Increase in Wages Would Have to Met From Increased Charges to Public

The outcome of the wage dispute between the trainmen, conductors and yardmen on the one hand, and the Canadian railway companies on the other, will be very closely watched by the business and commercial community. Last year the wage bill on Canadian steam railways amounted to nearly $240,000,000 which was 64 per cent. of the operating expenses in that year. Any increase that is made in wages must react immediately on the financial structure of the railway and in view of the fact that over one hundred briefs for a downward revision of freight rates have just been presented to the Board of Railway Commissioners, anything which will tend to increase operating expenses must be viewed with concern by business interests. Attention is then naturally turned upon some of the factors which have entered into the wage adjustments of railway employees during the last eight years.

Present Scale Due to War

The present wage scales can of course be attributed to conditions which arose out of the war. When the United States appointed a wage commission to deal with the question of wage scales, the results of their investigation were felt in every part of the American continent. The McAdoo award of 1918 resulted not only in changes in the United States wage structure, but also in uniform changes in the Canadian scale. The award justified its increases by the fact that the cost of living had increased and in view of this, they recommended that the scale should be altered so as to relieve the burden on the lower paid classes of employees. Besides the actual increases in pay, the working conditions of the employees were greatly improved, and, by the way of compensation, the railways were allowed to increase their freight and passenger rates.

Further Wage Changes

Two years later when American roads were again returned to their owners, the wages of employees were given another upward revision both in Canada and the United States. Shortly after this increase came into effect, the boom conditions changed and rates of pay received two downward revisions in the United States, to bring operating costs into line with new conditions and to restore equilibrium between the various classes of employees. Besides actual remuneration the employees received two new compensations in the way of an eight hour day basis, and the payment of time and a half for overtime on freight services.

As far as Canada was concerned the increase in wages in 1920 seems to have lain heavily on the railways, especially in view of the fact that the cost of living had not increased here to the same degree as in the United States. Heavy cuts were made in the Canadian freight rates, to a far greater extent than in the United States and although in 1924, American wages were increased by six per cent. there was no corresponding increase in Canadian wages, because of the fact that conditions were not considered to be similar. The present increases that are asked for, by trainmen conductors and yardmen approximate about 20 per cent., which would amount to a $70,000,000 addition to the annual operating expenses of the railway systems.

Board Refuses Application

The Board of Conciliation has refused the application of the employees for higher wages. This decision is apparently based on a belief that the present wages of this class of employee are ample in view of existing conditions. Quite apart from anything else, the current situation regarding freight rates and the relative ratio between wages and cost of living seem to have turned the tide in favor of a maintenance of status quo.

Analysis of the cost of living in Canada in 1920 and at the present time shows that there has been a drop of about 20 per cent. during the six-year period. During that time the scale of wages has been decreased about 10 or 12 per cent. To compute the relative situation of the Canadian and the United States employee, is a rather difficult task.

An approximate method of computation shows that since 1921 (when the present scale was drawn up) the cost of living has increased 3 per cent. in the United States and decreased 3.2 per cent. in Canada.

Rates Must Follow Wages

Closely akin to the changes in wage scales there are the changes in freight rates which have taken place both here and in the United States at various times.

First it must be realized that sweeping generalities such as 10, 15 or 20 per cent., must often be qualified. This for several reasons. Many basic commodities that move in very large quantities are exempt, and many of the Canadian changes were made at a later date than those in United States. Furthermore there are many geographical areas that were not affected by the various changes. The only general reduction on the American lines was the 10 per cent. cut in 1922, whereas in Canada various cuts were made in 1921 and 1922, which ranged anywhere from 7½ per cent. to 33 per cent. If an estimate were to be made as to the effect of these reductions on the Canadian railways it is probable that they accounted for something like a 20 per cent, reduction in net earnings, about double the American reduction. Since then, both countries have lowered their rates considerably on various commodities, but the ultimate solution now rests with the Board of Railway Commissioners. The recent sittings of this board, which met to enquire into the present rate structure, should prove valuable, in view of the fact that some authorities claim the Canadian freight rate structure to be lower than any other in the world.

Grain Big Revenue Producer

Quite apart from the actual facts of wage scales and rate schedules, the actual financial returns of the railways are perhaps the most spectacular point of the railway situation.

Increasingly good returns are often taken as an omen of good tidings, without much consideration of the real facts of the case. Railway prosperity in Canada, still rests very largely with the grain harvest and good harvests fill business and railways alike, with optimism. Very few people realize how few railways ever earn sufficient money to provide proper protection for the enormous investments that are involved. In the United States a fair return upon the aggregate value of railway properties is considered by the Interstate Commerce Commission to be 5.75 per cent. The Board of Railway Commissioners in Canada have stated that money at 4 per cent, 2 per cent. is a reasonable surplus over and above fixed charges and dividends. Applying this principle to Canadian railways it is found that in 1925 the Canadian National had (on the U.S.A. basis) an $80,000,000 deficit and on the Canadian estimate, a $77,000,000 deficit.

C. P. R. Earns Profit 4 per cent

Applying the same principle to the C.P.R. it is found that for the four years, 1921-25, the net operating income provides a rate of return on investment of 4.02 per cent. According to the American estimate the average surplus, which was about $1,000,000, should have been 17 times that amount. Using the Canadian estimate, the C.P.R. shows an average annual deficit of $17,000,000 below what is necessary to protect its investment.

There are various factors in the solution of any problem and to even the most casual student of transportation problems, it must be evident that "things are not always what they seem." Broadly speaking the relative importance of the various factors in this particular problem, seems to be in the following order. Since the war period, the greatest reductions are those which have been made in the cost of living. Next in line come the reductions in freight and passenger earnings and last of all, statistical analysis seem to point to the conclusion that railway employees, wages have been reduced least of all. On the whole conditions seem to be better at the present moment than they were during the war, although the psychology of a boom period invariably casts a glamour over the actual facts.

Port Hope Sanitary common, which has risen from comparative inactivity at around 95 in August to 120-124 on the Toronto exchange, is deemed by some competent observers to be priced higher than dividend prospects warrant.

The company has been doing a good business and its balance sheet for the year ending next January 31st will be very favorable, especially since $99.999 was used last year to write down goodwill and formulae to $1. Yet, the directors are likely to be conservative in alloting dividends on the common. Buyers of the stock at the high prices may not have noted that there were no dividends from December, 1922, unitl March of this year, when three-quarters of 1 per cent. was declared on the common. The best that can be hoped for in the way of dividends hardly will be in proportion to the present level of the stock unless a split of the stock is in contemplation. This has not been advanced as a reason for the rise.

Fruit growers in the Annapolis Valley are cheered with latest cables from the United Kingdom, advising that high prices are being paid for late arrivals of Nova Scotia apples. Prospects for the growers are brighter than a month ago.

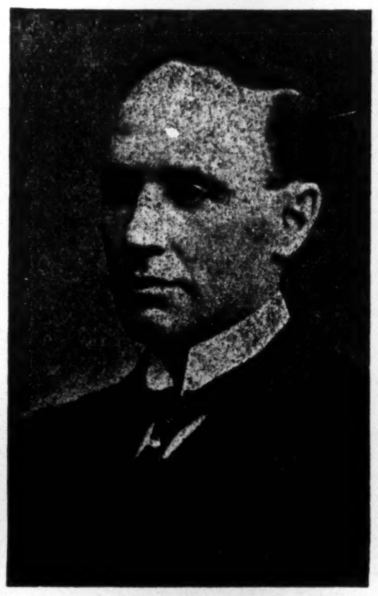
Arthur Meighen Joins W.W. Evans in Finance

Announcement of the affiliation of Rt. Hon. Arthur Meighen, former prime minister of Canada with Canadian General Securities, disposes of a rumor current a few weeks ago that he was to join the National Trust Company as chief counsel. Mr. Meighen and the National Trust Company were not able to trace the rumor to its source, and there was never any foundation for it. His appointment as vice-president and general counsel of Canadian General Securities is definite, however, and Mr. Meighen will hereafter devote practically all of his time to this new interest, although he will act as counsel for a large legal organization and will likely retain a few important connections in other directions.

Canadian General Securities is a financial house, active in a broad way, but not coming into contact with the general public through the sale of securities. It controls a number of important business enterprises and handles the investment of funds for many important estates and institutions chiefly in Western Canada.

W. W. EVANS.

The chief figure in the company is W. W. Evans, a brilliant young Western lawyer and financier, who came East and took up residence in Toronto about three years ago. Mr. Evans, a man of 36, but twelve years out of law school, acted as western counsel for the Canadian Northern Railway for a few years and then went into finance. He organized the Traders Finance Corporation, and now directs its operations. This company handles all Ford car financing in Canada, and has recently brought its Western and Eastern operations together under one enlarged company.



ARTHUR MEIGHEN.

Mr. Evans is president and managing director of Traders Finance; president of Canadian General Securities; president, Canadian General Insurance Company; vice-president, Toronto Casualty Fire and Marine Insurance Company; vice-president, City Dairy Company Winnipeg; vice-president, Consumers Company, Winnipeg; and director of other companies.

Arthur Boutilier's Life Sees Failure and Fortune

"From Failure to Fortune in Fish," is the succinct and alliterative story of the career of Arthur Boutilier, fisherman extraordinary of Canada's Atlantic Coast. Mr. Boutilier is president and general manager of the National Fish Company, of Halifax. W. A. Irwin, telling Mr. Boutilier's story in MacLean's Magazine, declares that "he has done more to keep the codfish abreast of the times, commercially speaking, than any other individual Nova Scotia. In the process, he has managed to build up a business that is now on the verge of a $2,000,000 annual turnover, and this, despite the affliction of two financial crashes, either one of which would have sent a lesser man scurrying for cover."

Arthur Boutilier is descended from a Jersey Islander who made his home in Nova Scotia in 1750.

Deprived of his ambitions to have a college education, Boutilier became bookkeeper for a firm of fish merchants; eventually buying out the firm.

From the outset he was an enthusiast full of ideas for the advancement of the fresh fish industry. During his apprenticeship he had spent what holidays he could get poking round the fish wharves of Boston and Gloucester, always on the lookout for improved methods of handling fish.

"The day was to come when Gloucester was to come to Boutilier for new ideas, but when he took over the business it was but a small affair. The fish were brought to the dock by 'longshore fishermen in rowboats and small sailboats, and, often as not, Boutilier himself and his small staff would tramp the town with boxes of fish under their arms, peddling their wares.

Dried Fish in Ascendant

"Throughout the fish trade generally, dried fish was accepted as the staple of the fishing industry. Dried fish could be kept in store, and there was always a steady supply to meet the demands of the market. Futile to hope to build up a big trade in fresh fish, for there was no certainty of a steady supply, it was argued. Any storm which blew up out of Hatteras might keep the shore fisherman off the fishing grounds for a week at a time. Then where would your market be, with no fish to supply it, even granted that there was any market to be found?

"So it ran, but, with experience, there had come to Boutilier the conviction that there were markets and that the fish could be got to supply them. He began to talk of selling fresh Atlantic fish in Central Canada. Old timers wih fifty years' experience behind them laughed at his folly, but, little by little, he began to work his ideas out in practice. As the old timers predicted, he had his troubles. The ice which was designed to carry his product fresh to the Montreal consumer persisted in melting more rapidly than was seemly. Fish which left Halifax as 'fresh' landed at its destination decidedly otherwise. Consumers were indignant and the market touchy. But Boutilier kept everlastingly at it, improving his methods of packing, jabbing at transportation officials in the effort to convince them that more speed was essential, and trying to ensure a steady supply of fresh fish at his own warehouse.

Boutilier Goes Broke

"Came a day, after two years of plodding, when a representative of a large Central Canadian concern appeared at the Boutilier office in Halifax with an order so large that it made the head of the firm whoop with joy. The fish were found and delivered at the railhead. And then—smash!

Before the shipment could reach its destination, the bottom dropped out of the market, and, when it did arrive, the consignee refused to accept delivery. Boutilier, in his eagerness, had neglected to forestall himself against this contingency, and the entire shipment was a total loss. The blow was more than the small business could stand, and its owner found himself bankrupt over night.

"When I finally discovered where I stood," he explained, "I was $13,000 poorer. It was a hard experience, but I know now it was worth it. It was my first lesson, and after that I had to see the money before I parted with my goods. People called it 'failure,' but . . . . yes . . . I think it was good thing."

"The creditors got ten cents on the dollar out of the settlement, and a week later Boutilier was in business again, under his wife's name. Althogh not legally bound to do so, within three years he had reimbursed his creditors in full for their losses.

Boutilier's First Come Back

"This demonstration of the quality of the stuff that was in the young fish merchant was so convincing that only a comparatively short period elapsed before he was able to secure the backing necessary for a new and still more ambitious project—the building of a cold storage plant. Operating under the name of the Halifax Cold Storage Company, Boutilier then proceeded to shock the trade by proving that frozen fish could find a ready market at long distances from the point of origin. It wasn't done overnight; the consumer had to be educated to the use of the frozen product, and the dealers had to be convinced that it could be handled profitably, but ultimately he succeeded to the point where he was able to swing a still further expansion of the business.

"To make a long story short, outside capital came in, and the North Atlantic Fisheries came into being, with Boutilier as president and general manager.

"Outside capital, however, has its drawbacks, as Boutilier discovered at the outbreak of war in 1914. The directors of the North Atlantic were so disturbed by the unsettled state of the market following the commencement of hostilities that they deemed retrenchment to be imperative. As a result, they voted to discontinue fishing operations and to concentrate on the cold storage end of the business. As might be expected. Boutilier bitterly opposed what, to him. appeared to be a retrograde step. Finlly, the general manager and the directors agreed to disagree, and the former secured a release from his contract. The next day he made still another start in the fresh fish business under the name of the National Fish Company.

That was twelve years ago.

Owns own Fishing Fleet

To-day, the National Fish Company operates its own fishing fleet—four trawlers and a like number of collecting vessels. It owns two fish handling plants, one at Halifax and the other at Hawkesbury, on the Straits of Canso. Its assets total $750.000, and its annual payroll more than $500,000. Last year it handled 35,000,000 pounds of fish. Its 20,000,000 pounds of finished product finds sale in Canada, the United States and Europe. Some of its fish goes down into Mexico; some to Hawaii. And, despite the crash of 1921, the National Fish Company is still Arthur Boutilier.

A modern fish curing plant will open at Saint John in April next year, operated by McCormick and Zatzman. It will be located at Strait Shore.

Laud Recent Maritime Provinces Number of the Financial Post

St. John Telegraph-Journal.

THE Financial Post has on various occasions exhibited a sympathetic understanding of the Maritimes. In the latest issue this friendly attitude is emphasized. In its leading editorial The Post points out that Canada is now the largest exporting country in the world, and therefore that, amongst other things, her ports, both east and west, assume a position of prime consequence. When winter seals the St. Lawrence for five months every year the east of Canada is, except for the Maritimes, importuous. Sentiment and patriotism aside, the Maritimes are invaluable to Canada.

The entire issue of The Financial Post should be read by all within and without the Maritimes. Those who know will refresh their memory; those who do not will gain valuable information. In the news columns of to-day's Telegraph-Journal will be found an article reproduced from the issue of The Post referred to. It speaks for itself. Another item from The Post's Montreal correspondent comments on the reactions of the various newspapers to be "authoritative summary"—first published, it will be recollected, in The Post—of the Duncan Commission's findings. Mr. MacDonnell's speech contrasted with the exception taken by "that staid and gentlemanly journal," the Montreal Gazette, is found significant of the sympathetic attitude recently created—except apparently in circles where chilblains impede the march towards real unity. The British Columbian does not favor the recommendations, yet prints an editorial making the point "that by Confederation the three Atlantic provinces have suffered in every way, and that the issue raised by this report are by far the most important facing the new parliament."

With so many and so exhaustive articles on a variety of subjects, all tending to show that we have suffered under Confederation, that we have been patient and loyal, that we are not responsible for our arrested progress, that our energy and enterprise have not flagged, that we ask no "dole" nor "concession," but equal opportunity, it is difficult, if not impossible, to select items for special notice. As has been said, the entire issue should be read. "Freight rate promises made; never fulfilled," "New Brunswick forests greatly developed," "No doubt that tides of Fundy will be utilized," "Special immigration needed for the Maritimes," "Grand Falls development fine for New Brunswick," "Shipments should flow through Atlantic coast ports," "New Brunswick meets success in tourist business," are a few, only a few of the headlines, while the articles on apple-growing and the fishing industry demand more than cursory attention. Not the least interesting and instructive is the display of Maritime advertising, while on no account should be missed the appeal, "Canadians! Think Nationally!"

This issue of The Financial Post will be and must be widely read by all having the good of Canada at heart.

Blames Public Demand for Big Public Expense

British Columbia Professor Also Says Duplication of Taxing Machinery Throughout Country Runs Up Burden

From Our Own Correspondent.

VANCOUVER, — Multiplicity of taxation and its growing burden on business are a serious threat to industrial and commercial expansion in Canada, but the governments are not to blame.

Unless the country has an enlightened public opinion no improvement in present conditions can be expected.

That is the opinion of Professor E. G. Beckett, head of the economics department of the University of British Columbia.

"Canada is a comparatively new country and in years not long past the entire business of the various districts was provincial," said Prof. Beckett. "Now, cities and municipalities have grown up and business has widened, with the result that the average business pays provincial taxation in nine different ways, and municipal taxation in more ways than possibly business men themselves could tell.

Confusion Will Follow

"There is worse to come, and if the present system of taxation continues it will result in confusion worse confounded.

"Progressive adjustment of taxation methods, careful expenditure of public funds, efficient organization of government departments and maintenance of strong public credit, are the four basic elements of strong government financing. Of the four elements the most vital is the need for progressive adjustment of taxation methods to suit ever-changing economic conditions.

"The method of government support conforms to existing economic conditions. In early days the government of Britain was supported by barons, who, in exchange for grants of land, placed their services at the command of the King in times of war. These barons, in turn, divided a certain portion of their lands among their followers who, in peace time, paid their lord by working in his lands, and in war they formed the armies which their master placed at the service of their kings.

"These conditions prevailed in the age of agriculture and as industry began to replace the old basic occupations and foreign trade developed, new services were demanded from the government and, in consequence, new taxation methods had to be worked out to pay for these requirements.

Select Government Investments

"One of the most annoying and inconvenient methods which modern business has to contend with is the inter-provincial character of its activity, and the provincial nature of taxation. The system under which it is forced to operate is cumbersome and unwieldy and the enforcement of every new tax makes it more so, but the taxation is the result of public demand, and unless that demand is reasonable and justified we are going to have a never-ending succession of unreasonable and unjustifiable taxes to further slow down the wheels of industry.

"All investment of public money should be of a carefully selected nature, and the spending of all money on improvements and schemes should be regarded as an investment, and only performed when there is a certainty that such expenditure will result in a profit as shown by improved economic, moral or social conditions.

"Another necessary element is efficient organization of the administrative departments from the highest forms of government to the most humble. By this means many millions of dollars would be saved yearly in Canada."

Report Arnold Bros.' Sales Increase by 40 Per Cent.

It is reported that gross sales of Arnold Bros. stores have been increased by 40 per cent. in recent weeks. This would bring the gross sales of the company for the year to well over $3,000,000.

Arnold Bros. common and preferred shares were listed on the Toronto Stock Exchange last May. The preferred is selling around 83, as compared to the original price of 91⅞ high and 98½ low. There are two classes of preferred and one common of no par value. The preferred dividend. rates are 7 and 8 per cent. cumulative, respectively. There probably will be no difficulty in the preferred maintaining a strong position.

Arnold Bros. stores are popular meat and provision emporia operated on the cash-and-carry system.

Mexicans Buy Canadian Wheat

Canadian wheat is popular in Mexico and prospects are that this will continue and become a permanent factor in the foreign trade of Mexico, according to C. Noel Wilde, Canadian trade commissioner in Mexico. Other commodities sold by Canada were: canned salmon, wrapping and bond and ledger paper, though no newsprint. Some sardines were exported and also a general line of commodities on a small scale.

Colonize Alberta

An aggressive colonization policy to affect the arable lands of Alberta has been launched under the leadership of Hon. Herbert Greenfield, former U. F. A. premier of the province. The leader's work will take him to London after his preliminary survey of conditions in Alberta; and while there he will co-operate with federal and railway company immigration authorities.

$7.00 PER YEAR & SAFETY

Can you think of any business similar to Milk with its complete turnover every twenty-four hours?
You will find the

HAMILTON DAIRIES, LIMITED

7% Cumulative Redeemable Sinking F nd Preference Shares a really attractive dividend producing investment, backed by years of successful operation.

Write us or Phone Regent 6853-4-5 or Adelaide 8865 Toronto, for full information.

DENMAN & CO.
LIMITED
INVESTMENT BANKERS
31 MAIN STREET EAST. HAMILTON,
BRANCH : BELLEVILLE.

Denman & Co. Limited
Hamilton, Ontario.
Dear Sirs.—Kindly send me complete information regarding the above investment, without obligation.
NAME .... ADDRESS................

The undersigned wish to announce that the firm name of Black, Smith & Co. has been changed to

Black & Hoerner

Members Montreal Stock Exchange
Members Montreal Curb Market

447 St. Francois Xavier St.
Montreal

J. M. BLACK
R. G. HOERNER

THE FINANCIAL POST

Member Audit Bureau of Circulations
President—JOHN BAYNE MACLEAN.
Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE.
Managing Editor—FLOYD S. CHALMERS.

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

ADVERTISING RATES:
Single Insertion—$2.80 per inch.
Financial Reports, Debenture Notices, etc., 20c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada and the United States, $5.00 per annum.
United Kingdom, 21s.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143-153 University Ave., Toronto, 2.

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager. Rielle Thomson, Eastern Editor; WINNIPEG, 810 Confederation Life Building; NEW YORK, Room 1606, 1133 Broadway; CHICAGO, Room 1004, 168 North Michigan Boulevard. GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E.C., E. J. Dodd, director.

TORONTO, DECEMBER 3, 1926

PLACE TO BEGIN

THE position taken by American publishing interests before the tariff board, suggesting that Canadian publishers be permitted duty-free importation of paper, machinery, etc., would have come with better grace if they had suggested a similar move to their own government first. The United States government maintains a high tariff on Canadian book papers, although it permits free importation of Canadian wood to be used in American plants for the manufacture of such paper.

These American physicians who would cure the ills of the Canadian publishing industry, want to prescribe a medicine that they are not ready to recommend their own people to take.

NOT SUCH A "RAID"

WE ARE not much impressed with the wailing in some quarters about an alleged raid on our national parks. The raid, in this instance, consists in the proposal for the development of further power in Banff National Park. Calgary needs more electrical energy and the logical place for it to get it is where it is now drawing its present supply, the Bow and tributary rivers in the Rocky mountains. Both the Alberta government and the Dominion government are ready to grant the additional power rights, and the chief point at issue is the method of procedure, the Alberta government being disinclined to favor any power license that might give the private power company in that area, the Calgary Power Company, privileges that the government would have to take into consideration if it decides to buy out the plant. The Canadian government, the Alberta government, the power company and the citizens of Calgary are all agreeable to the development of more power, even in a national park. The interrupting note is from Winnipeg, where a local editor throws in a gratuitous protest, one which is fully within his rights as a citizen of Canada, against such a raid on our national parks.

Cutting timber in national parks is to be deplored except under expert foresters to promote proper regrowth. This is because timber is long in replacing itself. Shooting game in national parks must also be controlled to prevent elimination of wild life. But harnessing a river does not use up the water, and if properly done may even improve, by regulating, its flow. And a power plant need not be a disturbing note. Italy has some power plants that an artist might well cross the ocean to see. In any event, the material comforts of a great city are more to be considered than a patch of even nature's hinterland when that patch is but a fragment of a mighty protected area.

"The hand of the commercial exploiter" is not always such a brutal mailed fist as the occasional disturbed editorial writer on a commercially successful paper would have us believe.

WELL, ON THE WHOLE

EACH year, of late, Canada has had its wages raised. This year, the national income is higher than last year by about $50,000,000. There is $50,000,000 more to be divided among the producers of the country; $50,000,000 to be added to the country's purchasing power.

To some, an increase of $50,000,000 may seem small. It is smaller than the increase in the nation's buying power in any one of the previous three years. But it is better than going behind. And this $50,000,000 increase in productive revenues means more than the figures show. Prices are lower to-day than a year ago. A bushel of wheat brings less; a yard of cotton brings less; a tire for your motor car represents a smaller sale for the manufacturer. The price trend has been definitely downward and it has taken more units of production to produce the same revenues, while increased revenues have necessitated a considerable improvement in activity.

Canada is doing nicely. The time when prosperity will run rampant is not yet; the time when our population will be 25,000,000 may be further distant than many of our optimists declare. On the whole, we are moving forward although we have gone behind in some places.

FLOW OF CAPITAL

IT CAME, no doubt, as a surprise to Canadian followers of finance, to learn from an estimate published in The Financial Post last week, that the people of this country have invested some $700,000,000 in enterprises in other countries. That this young and growing country, imploring men and money from abroad to find opportunity here, should at the same time be spreading its own accumulated savings throughout the corners of the continents, suggests an anomaly not easily to be explained. Of course, Canadian investments in other countries are small in comparison with the investments of other countries in Canada; about $700,000,000 as against $5,300,000,000, but they are large enough to set the average Canada to pondering.

Some of this Canadian capital has gone abroad because its owners felt that opportunities in other nations presented more attractions than in Canada, just as many of our sons have found the road to the United States the short road to prosperity. Some of it has undoubtedly been frightened away by our heavy taxation. Much of it has gone as the result of the expansive ideas of a few of our leading financiers and bankers, who have learned to do certain things better than any one else was doing them and have found it profitable to take South America, the West Indies, or some other area into their sphere of work in addition to their home field of Canada. And, lastly, much of this capital has been sent abroad by Canadians, who have learned the art of diversification in their investments and have thought it wise to make that diversification geographical and national as well as financial.

Canada has little to fear from having mortgaged its $25,000,000,000 of national assets to the extent of the $5,000,000,000 owned by citizens abroad. It has less cause to congratulate itself on the $700,000,000 it has sent abroad. Looking ahead, though, there can be seen two tendencies likely to develop. One will be "profit taking" in our foreign investments, the money coming back to Canada to take advantage of the larger opportunities here. The other will be the continued investment of increasing amounts of both British and American capital here.

GOOD MEN ON THE JOB

THE Canadian Board of Trade starts off well in the men at its head. William Birks, of Montreal, as chairman of the board, brings a knowledge of business that is tempered with the spirit of public service. S. B. Gundy, the first president, has done more than any other one man to make the board a possibility and a reality. Weldon McL. Clarke, the secretary, was one of the ablest men in Canada's foreign trade service, a brilliant student who was never in the clouds.

The Canadian Board of Trade will be made or un-made by the men who have it in practical charge. Above all it will have to avoid cliques; be they self-seekers or merely busy-bodies. Such cliques have set some other business bodies in Canada back a generation in public confidence and power for good.

LEAVE IT TO THE BOARD

IN THE next five years, Canada is going to see a present struggle intensify. Those who want railway and rate regulation kept out of the sphere of political considerations are meeting determined opposition from those who consider railway regulation directly a matter for public control, through the elected representatives of the people.

It is not establishing tyranny when railway rates are left to the Board of Railway Commissioners for Canada. If the board functions unwisely, it can be changed in personnel or constitution. Always the rights of the people are safeguarded. Less satisfying would be the tyranny of temporarily dominant groups or factions, if parliament were to attempt to control railway rates by ministerial or popular influence.

We care not what the railways think on the subject, and we care less what a few articulate groups, seeking discriminatory advantages, have to say. Apparently these two are in opposition, the railways wanting control by commission and the groups in question control by parliament. The question should not be settled by arbitration of their opposing claims. It is plain common sense that such a complicated question as rate control can best be studied and handled by a board, answerable to the people, but only answerable for the business judgment and national perspective it exhibits. Above all, stability of policy is needed to enable railways, shippers and communities to know where they are at and to put railway rates directly under parliamentary control, would provide about as much stability as is shown in our sorry record of tariff by barter.

"The endeavor to secure by political means what cannot be justified upon economic grounds has become more common in recent years. Such a course is much to be deplored," says Prof. W. T. Jackman, of Toronto, in his recent authoritative work on "Economics of Transportation." He goes on to say, "To have a tribunal which can weigh the evidence impartially and give a judgment on the basis of facts, unprejudiced by any political or sectional influence, is highly desirable in railway matters."

This is no straw man we are setting up, to be knocked down by a quotation from a man, recognized as one of the Empire's authorities on railway matters. One of Canada's leading daily newspapers, the other day, make a direct appeal for parliamentary fixing of railway rates in Canada.

The consequences of such a policy are greatly to be feared.

OUR GOLDEN MOMENT

THIS is the opportune moment for Canada to make a supreme immigration effort, declares the Canadian Pacific Railway in its monthly commercial bulletin. This statement from the organization that represents the largest single investment in the future of Canada is not to be regarded lightly.

"It is clear that the psychological moment for a country to launch a comprehensive colonization campaign is when her agriculture has definitely started the upward swing "argues the C.P.R.'s bulletin, which declares that "the time is favorable for a great, forward colonization and agricultural development policy, because agriculture is undoubtedly now in the process of entering an era of greater prosperity."

Agriculture is undoubtedly coming back quickly and strongly in Canada. The current year's revenues, while smaller than last year represent a higher purchasing power to the farmer as prices have declined about three per cent. on the average during the year. The outlook is exceedingly favorable for agriculture and we need have no compunctions about inviting citizens of other nations to come here to essay farming activities. They are reasonably certain to prosper.

Canada is still lukewarm on immigration. It is not surprising that governments should be playing with the immigration issue since they can not move ahead of public opinion and public opinion is only mildly interested in and perhaps even antagonistic to increased immigration activity and expenditure.

This is indeed the golden moment to be seized in immigration and we should not let it slip by, carelessly indifferent to our own needs and our world responsibilities.

LET THE PEOPLE KNOW

"WE HAVE no secrets from the public." Thus spoke the general manager of an important Canadian utility when he was asked for some information regarding a matter of public interest.

"I do not think that I would be well-advised to give you any information," said the general manager of an industrial company, the shares of which are widely distributed among the public.

The utility man has the right idea. The manager of the industrial plant is behind the times. The public is entitled to know all there is to know about a utility which it is called upon to support.

If the industrial concern which keeps its business a directors' secret expects to win public confidence, if it expects its securities to command high prices wherever they are offered, they have chosen the wrong method of breeding public confidence.

Two of the largest mail-order houses in the United States publish their weekly sales records.

WHAT IS BEST BUSINESS?

COMMERCE and Finance, an American publication, edited by that able retailer of business gossip and cotton reports, Theodore H. Price, asks what is the best business in the world. By a process of elimination, it arrives at a product, thinly disguised, and readily recognizable as Lea and Perrin's sauce. It meets all the tests Mr. Price first set down.

His tests were that it must be an article the entire world can use; low in price; without a seasonal selling problem; must be expendable and yet have keeping qualities; trademarked; difficult of imitation; be made of raw materials easily obtainable; capable of highly mechanized production.

Lea and Perrins has been going for generations. Grandsons of the founders now run the business. The business has grown every year, even in depression years. Almost every restaurant in the world has it on the tables.

That is one man's choice of the world's best single business. What's yours?

EDITORIAL NOTES

AND NOW municipal elections! Certainly democracy exacts its price.

* * *

PUBLICATION of the annual report of the department of militia and defence proves the department exists.

* * *

HAVE you figured out your share of the cost of the projected St. Lawrence waterway?

Responsibility of Investment House to Investor and Borrower

By R. A. DALY, of R. A. Daly & Co., Toronto. One of a series of lectures before Students in Commerce and Finance, University of Toronto.

RESPONSIBILITY is more tied up with the investment business than it is with almost any other kind of business. The investment house is responsible to the investor to whom the security is sold, as well as to the corporation from which the issue is brought, and to a greater degree than is usually the case, it is responsible for its own good names and the standing of the men that make up its organization. There used to be a fashion among boys when someone was urging on them the adoption of some special virtue, that the boy would retort "Virtue is my middle name." In such a sense I might say—"Responsibility is the middle name of an investment house."

The reason for the twofold responsibility, first to the investor to whom the security is sold and second to the corporation from which the security is bought lies in the nature of the transaction. The investor who buys a bond receives a promise to pay at a definite time a certain sum of money, together with interest at certain stated intervals at a specific per cent. If the corporation which borrowed the money is prosperous the investor will receive what he has been promised. If on the other hand the corporation should become insolvent the investor may only get a part of the money that is owing to him. The investment banker, therefore, stands between the investor on the one hand and the corporation on the other, and because of this intermediate position has important obligations to fulfil to both.

Investment Broker is Merchant

The investment banker is really a merchant and like other merchants buys at wholesale and sells at retail making his profit by the spread between these two prices. There is, however, a fundamental difference between the merchant in commodities and the merchant in securities, and this difference lies in the fact that commodities wear out, but a bond is expected to endure. When a man buys a suit of clothes he wears it for a year or two until it is worn out, then he gives it away, but he does not expect the tailor to give him another suit and he does not blame the tailor for the fact that the suit has depreciated. In other words, when the suit is worn out the tailor's responsibility is over, provided the cloth was reasonably good and the fit satisfactory. But in the case of the investment house the responsibility is of a more permanent nature. A bond is not supposed to wear out, indeed it is supposed to get better as years go by, instead of getting less valuable from year to year, and if anything happens to the bond that it does lose all or part of its value, the investor is apt to feel in some cases rightly, and in some cases wrongly, that the financial house has fallen down somewhere in its responsibility.

Risks Encountered by Investor

Let us examine in detail what constitutes the responsibility of the investment house to the investor. We will consider first of all—

(1) Risks to be encountered by the investor and the protection against these risks.

When an investor buys a bond he runs three elements of risk:

1st. Honesty of the house.
2nd. Judgement of the house.
3rd. Risk brought about by conditions beyond the control of the investment house.

Regarding the honesty of the house, I can safely say there is not a house of any real reputation in Canada that would wilfully sell a bond that was known to be bad, although there are plenty of so-called financial houses that would.

The second element of risk is the judgment of the house. Judgment is partly instinctive and partly experience. It is based on knowledge. Sometimes a house through lack of experience does not make the careful investigation that it should and then its judgment is apt to be faulty. Or some man in the organization might, through carelessness, overlook examining some situation that should have been investigated and the decision of the firm will be based on inadequate knowledge and the judgment again be faulty.

Conditions Beyond Control

The third element of risk is in the conditions beyond the control of the bond house. For example, take the case of street railway bonds. When they were first floated there was no real reason why anyone should have felt that street railways would not, in certain cities, become obsolete and in other cities unprofitable, or that municipalities would hound the life out of them as they frequently did. In any case here is an example of a class of securities properly issued, many of which defaulted, not through the fault of the bond house, but rather because of the unfairness of the municipality in which the street railway was located. Other instances could be cited where influences beyond the control of the bond house depreciated securities sold, such as:

(1) Effect of wars on securities in Europe.
(2) Effect of revolutions on Mexican securities.
(3) Effect of change of tariff on certain businesses.

As a matter of fact, the bond house really does try to allow for these unknown qualities. They do not know what they are or may be, but they figure on them just the same.

How Are Investors Protected

These are the risks, now how does the investment banker protect the investor against them.

1. Responsibility to protect against dishonesty. The Investment Bankers' Association formerly known as the Bond Dealers' Association, was formed about 13 years ago, and one of its objects of formation was to keep the standards high in the profession. This association embraces 125 dealers all over the country. No dishonest dealer would be allowed to remain in the association if it were known and could be demonstrated by the association that he was dishonest. The stock exchanges fulfil a similar function in the field of stocks, but as we are just considering bonds, I shall not refer to the stock exchanges. I want to make it perfectly clear that there are of course many dealers in bonds (especially the smaller houses) and those in the smaller centres who are not members of the I. B. A. and who, of course, may be perfectly reputable. The disware of are as a general rule the fly-by-night people. The I. B. A. have assisted in restricting, to some extent, the operations of these people by co-operating with the various provincial governments in the enacting of blue sky laws to protect the public.

1. Responsibility to protect against bad judgment. Just as character is the essential to keep a firm honest, and to avoid yielding to obvious temptations, so brains are the essential to keep up a standard of judgment and an armor against the more subtle temptations. No one man has all the brains, and in the larger underwriting houses all new issues have to pass the judgment of at least a majority of the partners, if not all of them. Even then mistakes of judgment occur. We all make them, but the principal time to look out for mistakes is when things are apparently going well and everything looks prosperous. The old saying "Let him that thinketh he standeth take heed lest he fall" is just as true to-day as it was 1,900 years ago, and is just as true in the bond business, as it is in any other walk of life.

I have said that judgment is based on knowledge. Knowledge naturally comes after study and investigation. All new issues that are underwritten have to be submitted to a thorough investigation.

Investigating New Issues

How are these investigations of new issues carried on? Let us take the case of a corporation bond, because it is the most difficult. If we understand how to investigate a corporation bond, it is a simple matter to check up a municipal or government security. The following then are the ways in which a bond house

(Continued on page 22)

Book Reviews

Accounting Principles and Practice

Students of accounting, both in colleges and offices, should welcome the new volume that has been published, as one of a series of Queen's Business Studies. "Accounting Principles and Practice," by R. G. H. Smails and C. E. Walker, promises to fill the wide gap that has existed in Canada in regard to a really Canadian text book in accounting. For years, Canadian professors and business men have felt the need of an accounting text book that would enable them to study the accounting problems that are peculiar to this country. The reason why Canada has her own peculiar problems is that she entered the field at a relatively late date, and while she has availed herself to a large extent of the experience of older countries, some of her problems are unique. In the sphere of applied accounting her practice is neither British nor American, but a distinctive thing combining some of the qualities of each. Thus none of the British or American texts wholly meet the needs of Canadian business and in this new volume there is an outline of established Canadian accounting practice.

The book is very well written, contains not too much matter and may be very easily read. Theory and practice are very clearly defined and business men and accountants will find some extremely valuable material in the chapters which deal with the interpretation of financial statements. There are two splendid chapters on partnership accounts and on foreign exchange and accounting in foreign trade.

Publications of this character are somewhat of a venture in Canada and the volumes which are being published under the editorship of W. A. Mackintosh, director of commerce and Finance at Queen's University, are a valuable addition to Canadian bibliography. Accountants may feel justly proud of this very worthy effort by two distinguished members of their profession.

The Story of Business

Few business men are also writers This is unfortunate in one way. If the men, who make business to-day what it is, could get down on paper for the world to read, the motives that prompt them in rearing giant industries, if they could relate the inner story of their struggles and accomplishments, they would give the average man a concept of big business that would make him exceedingly thin soil for Bolshevik ideas to sprout in. The romance of business is touched upon often enough as is its humanity. But the mind of the business leader is too little explored.

What big business men do not do for themselves, an American writer, Samuel Crowther, has done for a number of them. His series of biographies and "autobiographies" of leading American business men have given a clearer idea of the fundamental sincerity of the modern-day executive than has ever been given by the ordinary type of success story. Henry Ford talked to Crowther and Crowther put Henry Ford's mind into print in two books that fortunately were syndicated widely enough to get a major share of the attention of a public that ordinarily gets its ideas of Henry Ford from the joke pages, to which he has no doubt contributed, but where his real story was not told. Crowther gave us John H. Patterson's story and ideas. Now he gives us another fine book in "Men and Rubber." Harvey S. Fireston is the name signed to it. It is Firestone, most interesting of the tire men, speaking and it is Crowther writing. The combination gives us an excellent result. While the story is told around the history of the Firestone tire and rubber business, it is largely commentary, revealing motives as well as results.

The book is, too, a plea for more "thinking through" in business. The man of quick decisions is not credited with an asset of particular importance. Nor is the executive who grandly dismisses details, called a success. Mr. Firestone favors the type of business man who is supremely the one man in final control but who does not direct his business himself. The man who leaves himself time to know the details of his business and who also has time to think about his problems, a man like Edison, Ford, or to be sure, Firestone himself is what this interesting business personality lauds.

S. B. Gundy, Toronto, publishes "Men and Rubber; the Story of Business" in Canada. $3.50.

J. Strathearn Hay
Member
Toronto Stock Exchange

Cochran, Hay & Co., Limited
TORONTO
Dominion Bank Bldg.
KITCHENER 83 King St. West
LONDON Dundas Building

Investment Consultation

IF you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.

By so doing you incur no expense whatever, and place yourself under no obligation to us.

Correspondence Invited.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

EVERY great business is the child of some man's brain, a vision conceived, nourished and fulfilled with all the love, and care and attention that a mother lavishes upon her child.

By the same token every effective sales stimulant or advertisement for that business is a child of the brain.

Anyone with the price can buy advertising space, but to fill it successfully is another matter.

I have for sale—children of my brain.

Thornton Purkis

Sales and Advertising Counsellor

Northern Ontario Building
330 Bay Street, Toronto 2
Telephone: Adelaide 6222
And at 164 St. James St., Montreal

City of London 5% Bonds

Due 1932-1945

Principal and half-yearly interest payable at the City Treasurer's Office, London, Ontario.

Denomination — $1,000

Assessed Value of Taxation $71,463,218
Net Debenture Debt 7,367,726
Population 63,339 Area 10 square miles.

London is the fourth city in Ontario as regards both population and importance, ranking next to Toronto, Hamilton and Ottawa. It is the commercial, financial and educational centre of the south-western portion of the Province. The City is one of the oldest and most substantial cities of Canada.

Price and full particulars on application.

A. E. AMES & CO.
LIMITED

Investment Securities

53 KING STREET WEST, TORONTO
TRANSPORTATION BLDG., MONTREAL
BELMONT HOUSE, VICTORIA, B. C.
LONDON BLDG., VANCOUVER, B.C.
11 WALL STREET, NEW YORK
GRESHAM HOUSE, OLD BROAD ST., LONDON, E.C.2, ENG.

Business Established 1889

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Canadian Scottish Paper

Will you tell me something, briefly, re Scottish Canadian Paper, New Westminster, B. C.

Canadian Scottish Paper, New Westminster is backed by English capital and produces in a limited way the better grades of paper.

National Debenture

I would like to know if the National Debenture Corporation, Ltd., 5½ per cent. sinking fund collateral bonds, due May, 1946, would be a perfectly safe woman's investment.

National Debenture Corporation, 5½ per cent. Collateral Bond may be regarded as a reasonably safe investment to return a very interesting yield.

Algoma Steel Bonds

A client holds Algoma Steel bonds, purchased at 25. We understand the present market is about 30. Should he sell or hold for larger profit?

Algoma Steel Bonds have been selling around 30 to 36 for some considerable time, their low price being due to the fact that the company has a more or less precarious existence, and on several occasions has been near to passing up its bond interest. For some time now there has been a move on to try and effective re-organization of the company, so as to get in some new working capital and put the industry on a much sounder and more economical basis of operation, and while this plan has met with considerable opposition, and there are a few obstacles in the way, it may come sooner than some expect. The company has had a fairly good year this year, and there is no immediate prospect that the interest on the bonds will be passed, your client might, therefore, be well advised to hold them. The bond holders may fare fairly well, if there is a reorganization.

Shredded Wheat

Give me information on Shredded wheat?

Shredded Wheat is a stock that is held in very high regard in the somewhat restricted circle where it has an intimate following. The company's past record in increasing dividends with regularity and in providing bonuses for shareholders gives it an appeal, additional to the investment merit it gains from stability of earnings. Earnings in recent years have been around $14 a share on the old stock, or the equivalent of $3.75 a share on the new stock given when the stock was split four to one at the beginning of the year. As dividends are now being paid at the rate of $3 a share, it would hardly seem likely that any increase in dividends is in store for a few years or until the company can further widen the margin between earnings and dividend payments. The present price of about 53 reduces the dividend yield to the investor of about 5.50 per cent., which is not high for an industrial stock. Over a long term the stock seems likely to continue its steady gains, but the recital above of the recent record would seem to indicate that the prospects in the immediate future have been quite discounted by the present price. Shredded Wheat looks like one of those soundly established companies that always offer inducements to the investor looking for the long term profits, but with nothing sensational in store for a few years yet.

St. Lawrence Flour

I would like some data on St. Lawrence Flour. How is it regarded?

St. Lawrence Flour is considered quite speculative, as you may judge from the market price. The range of this year's transactions has been: Pref. 80 to 83, present 79 to 80; Common, Jan. 1, 41; Feb. 1, 44; April 1, 28; July 1, 41; September 32, present 33. In our issue of July 9th, we said "The Company is a small one and must have difficulty meeting competition by the larger operators. Furthermore we believe that over the past few years the Company has disbursed too much in dividends to shareholders. We would not advise purchase.

National Cash Register

What have you to say about National Cash register?

National Cash Register Company is chiefly interesting to Canadian investors for its Class A stock. There are two classes of stock outstanding. Class A, 1,100,000 shares of no par value, is paying dividends at the rate of 72, 75 cents quarterly. Class B stock has 400,000 shares.

Earnings in the first six months of the year amounted to nearly twice dividend requirements on the class A stock, and these would thus seem to be well protected since the company has always proven itself to be a big earner and is enjoying expanding business at the present time.

Present price of the stock is around 39, which is considerably below the price at which it was originally offered, and close to the low for the year of about 37. The stock at this price yields over 7.50 per cent. to the investor, and may be regarded as a speculation of distinct merit.

C.N.R. Debentures

I beg to ask you for information regarding an investment I made in C.N.R. bonds in Oct., 1923 (1910 issue due 1930). I have been told that I should get rid of these. I have also been advised to hold them because they are likely to be government guaranteed. I would be glad to have any advice in this matter you could give me. Would you advise me to get rid of them?

The Canadian Government has not announced what action it will take towards redeeming Canadian National Railway Income Charge Debentures. There is considerable doubt in regard to the matter. We feel that the Government will make some arrangement that will prove satisfactory to the debenture holders, but there is no assurance of this and it is entirely a matter of speculation as to what action will be finally taken. We would consider that it might be worth while for an investor of some means to hold some of these bonds where there are speculative possibilities, but to other investors we would recommend that they take advantage of the profits they have already made and turn in the debentures on more stable securities.

Four Good Issues

Are Canadian Bakeries, preferred and common; Maple Leaf Milling, Canada Bread "B" and Goodyear, preferred, paying dividends on preferred and what rate is Canadian Bakeries and Maple Leaf paying on common?

Canadian Bakeries is paying dividends on its two preferred issues, but none on its own common. There are $1,000,000 1st and 2nd preferred on which 7 per cent. is paid. Ahead of these issues are $8,000 6½ per cent. bonds and behind them two classes of common. The "B" common is non-voting and created for exchange of the 2nd preferred on basis of 2 common for one preferred.

Maple Leaf Milling common paid its last dividend April, 1923, and none since.

Canada Bread "B" pays 7 per cent. on quarterly basis.

Goodyear has two preferreds, 6 per cent. prior preference and 7 per cent. The latter is the stock in the hands of the public the total issue being $4,-500,000. The company has been steadily wiping off the accumulated dividends on this stock, and along with the regular quarterly disbursement in October paid 3½ on the arrears, leaving the stock still 1¾ per cent. in arrears.

Victim of Switching

My mother had 40 common of Dominion Stores and was switched by a broker into Kirkland Ontario Gold and is now offered Boischatel Mines. She must act quick as the latest offer is limited as to time. She has lost considerable now. What should she do?

Your mother acted inadvisedly in the first place to let a fair investment stock go in exchange for highly speculative mining issue. We are afraid her $1,000 is going to shrink further, and the best thing to do is to try to save as much as possible. The Kirkland Syndicate we do not think much of. There are a lot of these on the market, and it is difficult to get anywhere with them. It would be real difficult to market such stock. Rouyn Boischatel Development has some good properties, and as there is seemingly a boom pending in Quebec issues it might do well. But there are factors such as the basis on which they secured these properties to consider. What are they going to do with the stock? These are important questions. I think that the desirable move is, as I said, to try and get as much as possible out and get the remnants of the $1,000 into something substantial to win back the losses.

Your mother should not act hastily again. This Rouyn proposition will not run away.

Ford Banker Shares

Several of our clients have asked about Ford Banker shares. Do you know them?

Bankers Shares of the Ford Motor Co. of Canada were put over by a group in New York, who at first attempt to flood Canada with their literature, then turning their attention to England, made a very large clean-up in England, and the last I heard of them they were operating in Germany. Mr. Campbell, the head of the Ford Motor Company issued a letter warning the public against them, and from time to time we have published a number of stories in The Financial Post, exposing the operation. They take a share of Ford stock, selling around $400 to $500 a share, split it into 100 units and sell these units at a price that will net them about 25, 50 and 75 per cent. above the market price for Ford Shares. I think I figured out at one time that the yield on these Ford units was around 1.5 per cent. or something like that. However, the operators have always kept well within the law, and even over in England where there was a great hubbub raised about their activities, they could not do anything with them. I noticed in a recent London financial paper that they took quite a large sum of money back to New York.

Amulet

Is Amulet a good speculation? Is Noah Timmins connected with the enterprise?

Noah Timmins has, we understand, a material interest in Amulet. The stock is regarded as a fair speculation. The company has a considerable tonnage of proven copper-gold-zinc ore.

Elizabeth Feldspar

What is your opinion of Elizabeth Feldspar mine?

We have made a number of enquiries about Elizabeth Feldspar mine, but were never able to locate it until recently. We should judge that the proposition has little to recommend. The fact that they gave $410,000 of its $450,000 capital for the property alone indicates this.

Fraser 7% Preferred

Backed by a business which has operated successfully for more than half a century, in the manufacturing of bleached and easy bleaching sulphite pulp, spruce lumber and cedar shingles—of which Fraser Companies, Limited, is one of the largest producers in Canada.

Assets are equivalent to over $490 for every $100 Preferred Share. Earnings during past six years averaged 2.5 times Preferred dividend requirement.

Price: 98½ and accrued dividend, Yielding 7.11%

Descriptive circular on request

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

POST-Scripts

IN A FEW select circles in Canada, about a month ago the "tip" went around that sugar was a buy. There was a leak in the offices at the president of Cuba, went the story. Word has come through to Canada that a decree would be issued limiting the acreage of sugar to be planted on the island. When the decree was issued, sugar would go up. A few dollars would carry on the sugar market enough sugar to sweeten a nation for a month or two. It had all the earmarks of the "sure thing" sort of tip that always fails. A few inexperienced investors bought sugar, putting liens on their Fords and life insurance policies to buy. More experienced investors knew enough to leave that sort of tip severely alone.

The rest of the story is anti-climax. President Machado of Cuba issued the decree. Sugar went over 3 cents for the first time since 1925. The small traders who took the tip made the price of their Christmas presents. The others comfort themselves with the thought that nine times out of ten such stories are circulated by those who want to get out of too heavy commitments.

FROM being financial director of the League of Nations, Sir Herbert Ames, Canadian financier, has become special lecturer at different Canadian universities. Last week he lectured at Harvard to an advanced class in government. He will lecture at Queen's, McGill and Varsity during the winter, discussing various phases of the League of Nations' work, as the different classes reach that subject in the course of their study of political economy.

Sir Herbert is also in great demand as a speaker at luncheon and dinner gatherings. He discourses interestingly on the League of Nations, presenting facts in a happy manner that combines the best of the professional lecturer's manner with that of the thoroughly accurate and meticulous professor.

Just now Sir Herbert is again lost to Canada, as he has taken a house in Boston. His future plans, he told The Financial Post this week are indefinite. Geneva may see him again occasionally, but his work as an officer of the League is finished.

AMERICAN newspapers had to depend upon a Canadian summary of the St. Lawrence waterways report, when it was issued by the engineering advisory board last week.

Arrangements had been made tentatively with the United States government to release the report at 6 o'clock on November 24. Not until a couple of hours before the time set did definite word come from Washington that the Americans were agreeable to releasing the report at that hour. When word came through the Canadian department of Railways and Canals handed to the morning newspapers an excellent and intelligible summary of the report while, in Washington the newspapers were handed the whole report, a book length proposition highly technical in character. Canadian papers set up and ran the summary in full. American editors struggled with the intricacies of the engineering document, getting little out of it. Finally, one of the news services across the line heard that the Canadian press had been handed a good summary; they wired for it in desperation and were able to give American newspapers something their readers could understand.

The man who prepared the summary was C. W. Yates, assistant deputy minister of railways and canals. Mr. Yates is a former newspaperman, who went through the school of the Toronto Globe, entering the civil service with the Ontario government and being taken to Ottawa by the late Hon. Frank Cochrane, when the latter took over the portfolio of minister of railways and canals.

THERE are several money-making schemes dependent for success on their widespread appeal to women. There are many others, and new ones are continually cropping up. Knowledge of some of the following may have been gained through painful experience.

"Endless Chain Stocking Scheme" (5 pairs for $1.00). All right until the bubble bursts.

"The Smuggled Goods Scheme" (Imported laces, linens, etc.) In Canada, the real trouble is often that the goods are really smuggled.

"Your Horoscope" scheme (and a thousand mimeograph copies).

"Stuffed House Furniture" scheme (Dealers posing as private residents "going to Europe." etc.

"Picture Enlargement Scheme." You can get an enlargement for 49 cents but find you have also contracted to buy a cheap frame at ten times its value.

When some one offers something for practically nothing, it is safe to assume that there is a reason for it—not always to your advantage. It is wise to be cautious.

FOLKS and Finance

THIS week Henry Birks, Sr., founder and president of the firm of Henry Birks and Sons Limited, jewellers and silversmiths, celebrated his 86th birthday. Mr. Birks is in good health and in excellent spirits. He was born in Montreal on November 30, 1840, and entered the jewellery business immediately after leaving the Montreal High School. He was first connected with Savage and Lyman, being there from 1857 to 1879. In the latter year he started business for himself.

The first Birks store was situated on St. James Street, Montreal, but after a few years moved to the present site on Phillips Square, which has been enlarged considerably since. The business has so prospered that there are now branches in Ottawa, Halifax, Toronto, Winnipeg, Calgary and Vancouver.

Last year upon the occasion of his 85th birthday Mr. Birks was tendered a banquet and was presented with an illuminated address.

WILLIAM LINCOLN PALMER, in an article in Zion's Herald, giving some recollections of the late Frank Munsey, says: "One day he remarked to me, 'The only thing about which I might be regarded as superstitious would be my aversion to any dealings, in a business way, with unsuccessful men. I always have a fear that they may hoodoo me.' 'If you wanted to make money,' he said, 'you would not go to a poorhouse to interview paupers in order to learn financial methods. I would not, of course, unjustly criticize unsuccessful men or paupers, but I do not want to deal with them.' "

The Greenshields Review

A concise summary of financial and commercial conditions in the Dominion, this publication is valuable to anyone interested in the fundamental factors affecting Canadian securities.

Copies of new December number will be mailed at your request.

Ask for Review 4

Greenshields & Co
Members Montreal Stock Exchange
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E. OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street
45

Letters to the Editor

Do Not Sell Direct

Editor, The Financial Post:

In your issue of Nov. 12, appeared an item headed, "Stores Split on Signing E. W. Gillett Price Contract." The information conveyed by this item seems to us to be a little ambiguous and to have a tendency to convey somewhat of a false impression regarding our sales policy. The point we have particularly in mind is the second sentence, reading as follows: "But according to information reaching Canadian Grocer, some of the larger retailers—those who have been buying direct in large quantities—have not as yet agreed to sign the contract and maintain the prices."

From the way this item is worded, it might appear to your readers that we have been selling the larger stores direct. This is not true. We have never sold retailers direct and, as a matter of fact, it has always been our policy to sell through wholesalers only, irrespective of the size of the retail establishment handling our goods.

In view of the fact that your publication is probably read by a considerable number of people who are more or less interested in our sales policy, may we suggest that you give some prominence to this correction in your next issue?

—W. F. RALPH,
Advertising Manager,
Toronto. E. W. Gillett Co., Ltd.

New Issue

$7,722,000

City of Toronto, Ontario

4½% Serial Bonds

$1,739,000	due 1st February,	1927 to 1956
1,702,000	due 1st March,	1927 to 1956
958,000	due 1st April,	1927 to 1956
1,000,000	due 1st October,	1927 to 1956
2,323,000	due 1st November,	1927 to 1956

Principal and half-yearly interest payable, at the option of the holder, in Canadian gold coin in Toronto or in United States gold coin at the Agency of The Canadian Bank of Commerce, New York, or in London, England, at the fixed rate of $4.86 2/3 to £1 Sterling.

Denomination: $1,000.

Toronto, with a population of over 550,000, is the second largest City in Canada and is the financial, commercial, industrial and railway centre of the Province of Ontario.

The finances of the City are in strong position due to wealthy population and careful management. Since January 1, 1919, more than $54,000,000 of City of Toronto bonds have been retired, of which $12,000,000 were retired before maturity. City of Toronto bonds are regarded as one of the leading Canadian investments.

Prices:

1927 maturities:	To yield 4.50%
1928 maturities:	To yield 4.75%
1929-1956 maturities:	To yield 4.80%

Fully descriptive circular will be gladly furnished upon request.

Wood, Gundy & Company Limited   **A. E. Ames & Company** Limited

THE NATIONAL CITY COMPANY CANADA

Kingdom of Italy

7% External Bonds

Due December 1, 1951

Principal and interest (June 1 and December 1) payable in United States Gold Coin in New York City without deduction for any Italian taxes present or future. Coupon bonds in denominations of $100, $500 and $1,000, not interchangeable.

Listed on the New York Stock Exchange

The Kingdom of Italy, one of the leading maritime nations of the world, comprises a total area of 119,624 miles and has a population estimated in 1924 at 39,659,944.

In the period of reconstruction which faced many countries after the war, Italy showed an unusual example of courage and patriotism. Politically, economically and commercially she has made remarkable progress; the national budget has been balanced, revenues exceed expenditures by a satisfactory margin and the internal debt is constantly decreasing. The nation is enjoying a p iod of industrial reconstruction and activity built upon improved and sound foundations.

Price at market to yield about 7.65%

Upon request we will forward a circular giving full particulars of this issue, and also the December edition of our monthly publication "Investment Securities," containing a complete list of our current recommendations.

The National City Company
Limited
Head Office — St. James and St. Peter Streets — Montreal
10 King Street East TORONTO — 204 Blackburn Building OTTAWA — 71 St. Peter Street QUEBEC

McColl Brothers Asks Shareholders to Advise

The first dividend notice sent to shareholders in McColl Bros. says over the signature of J. W. McColl:

"This will be the first dividend payable to shareholders since the public issue of stock, and as, in consequence, there will be many new shareholder members of this firm, the new directors and officers of this company take this opportunity to welcome all new shareholders and to state that they will at all times be grateful for any suggestions towards the betterment or enlargement of the company's business that may be received. Your company is now nearing the close of its fiftieth year in business, and its products are well and favorably known all over Canada, but there is continued room for improvement, and our shareholders may frequently be in a position through their suggestions to render valable service."

News of Investment Markets

CANADIAN BOND FIRM RECOMMENDS GERMAN UTILITIES

All Such Issues Sell Now Above Their Issue Price

A sign of the times is the recommendation for a Canadian bond issue, Cochran, Hay and Company, that their clients purchase German public utility bonds.

Discussing foreign government bonds, Cochran, Hay and Company say:

"In recent years there has been carried out in the New York and London, Eng., money markets a large volume of financing for foreign countries and foreign industrial and public utility corporations. The concentration of huge capital resources in these markets, and those subsidiary to them, has turned countries and industries throughout the world to them.

"The close of the war saw many governments so badly in need of actual cash for fixed and working capital purposes that recovery and growth were impossible without relief in this direction. Nations with great natural resources were retarded in their development through the absence of the necessary capital. Industries and public utilities with many millions of dollars invested in fixed assets were unable to function efficiently because of the lack of funds wherewith to carry on the ordinary business transactions essential to the success of their affairs.

Canadian Bonds at Premium

"Canada was one of the first countries to borrow extensively in the New York market. During the years 1919 to 1921 Canadian government and municipal securities were so'd in the American market at rates of interest which are unbelievably high to-day. The net proceeds of such loans to the borrowers were moderately good, chiefly because of the large premium which existed at the time for American funds. Nevertheless Canadian government and municipal securities were available in New York during this period at prices to yield from 6½ per cent. to 10 per cent. To-day, Dominion of Canada bonds command a price in the United States which represents a yield of only 4.75 per cent., indicating the remarkable appreciation in value of Canadian securities during the interval.

"In the following years, other nations went to New York market for the flotation of loans in the same manner that Canada had done. Loans were granted to these countries in many instances and were later distributed to investors at prices which yielded from 6 per cent. to 9 per cent. Subsequently the higher grade foreign issues steadily appreciated in value and the indications are that many of them will continue to do so.

"Canada's wealth, progress and proximity to the United States contributed to bring very forcibly to the attention of Canadian investors the excellent opportunities to be had in several foreign issues. Substantial sums of Canadian capital, both of a private and institutional character, have been used to purchase such securities. These investments have brought an excellent annual return to the buyers as well as appreciation in principal value.

Germany Also Heavy Borrower

"Among the many foreign countries and industries which have borrowed in the New York and London markets, Germany ranks as one of the heaviest seekers after capital. Loans made to the German nation and its industries total a huge sum from both the American and English markets and there is probably no country whose obligations of all types have shown the same increase in value and popularity with investors generally.

"There existed in Canada, and there probably exists yet in some quarters, a strong sentimental feeling against the purchase of external German securities. Very frequently it is not realized that Germany's capacity to work must be re-established in the interests of the world at large. To do this Germany and her industries must have money.

"Moreover, many do not recognize the international character of money as a commodity. Money will go anywhere without fear or favor to those who can offer the best security, in the full meaning of this word, and the best rate of interest.

"In the German situation especially, it is to be remembered distinctly that under normal circumstances the German government and German industries would not consent to the terms and conditions of loans which they are forced to make today.

"From the table of German public utility bonds given below you will notice the handsome appreciation in value which has taken place in these securities. The record is excellent.

Amount of Issues	NAME	Issue Price	Market Nov. 22, 1926	Appreciat'n in Dollars
$15,000,000	Saxon Pub. Wks. Co. 7% Bonds. Due: 1945......	92.00	100.75	$1,312,500
$15,000,000	Saxon Pub. Wks. Co. 6½% Bonds. Due: 1951....	91.50	96.50	750,000
$ 4,000,000	Hamburg Elec. Co., 7% Bonds. Due: 1935.......	95.50	100.00	180,000
$10,000,000	R-Westphalia Elec. Pr. Co. 7% Bonds Due: 1959	94.00	100.50	650,000
$ 7,500,000	Westphalia U. Elec. Pr. Co. 6½% Bds. Due: 1950	87.50	95.50	600,000
$10,000,000	German Gen'l. Elec. Corp. 7% Bonds. Due: 1945	93.75	103.00	925,000
$ 7,500,000	Elec. Pr. Corp. of Germany, 6½% Bds. Due: 1950	87.00	97⅛	759,375
$69,000,000				$5,176,875

There has been, therefore, an appreciation of $5,176,875 in the value of the above issues, which represents 8.19 per cent. on the amount of money originally invested by purchasers. In addition to this appreciation in market value, investors in these securities have received an exceptionally good rate of interest, varying from 6½ per cent. to 7 per cent. per annum. As far as we have been able to ascertain, not one German public utility issue, made in the external market since the war, is to-day selling below its issue price.

Quebec R.L.H. & P. to Meet Bond Arrears

From Our Own Correspondent

MONTREAL.—The 10 per cent arrears on the 5 per cent income bonds of the Quebec Railway, Light, Heat and Power Company will be met on March 1 next. When the company was acquired by the Quebec Power Company in 1923, the shareholders of the Quebec Railway, Light, Heat and Power Company were offered an exchange of stock on the basis of one new share for every four of the old. At the same time the income bondholders of the Quebec Railway, Light, Heat and Power Company were offered $27 in cash or 30 per cent of the par value of their holdings in the Quebec Power Company's stock. It is understood that most of the income bondholders accepted the exchange. Those who did so, hold, at to-day's market prices, around $60 for every $100 bond. The forthcoming payment of interest arrears from the assets owned by the older company are increasing.

Joins Flood, Barnes & Co.

J. A. Fitzpatrick has joined the new investment house of Flood, Barnes & Co, Montreal, as a partner. Mr. Fitzpatrick takes up his new connection after a year on the sales staff of Nesbitt, Thomson & Co., prior to which he was with the Imperial Life.

The Investor—
Published monthly and sent gratis to interested inquirers by
McLEOD, YOUNG, WEIR & Co
Limited
Metropolitan B'dg. TORONTO
MONTREAL OTTAWA
HAMILTON LONDON

K. H. Kompfe & Co.
Investments
330 Bay St. Toronto — *Adelaide 3331*
Dom. Savings Bldg., London — *Telephone 8077*

Roberts-Cameron & COMPANY, LTD.
Government and Municipal Bonds Listed Stocks
Northern Ontario Bldg.
AD.3486-7-8 TORONTO

MURRAY & COMPANY
Specializing in Government, Municipal and Corporation Bonds
METROPOLITAN BLDG.
ADELAIDE 6077-78 TORONTO

WHILE WORKING for MONEY
Have money work for you. It will do so — twenty-four hours each day! Purchase from us a High Grade Bond yielding 6 to 7 per cent., and build up a nice fortune for yourself in a few years. You can pay for the Bond by our Systematic Monthly Savings Plan.
H. B. ROBINSON & Co. Limited
Investment Bankers
53 King St. West TORONTO ELGIN 1224
260 St. James Street MONTREAL MAIN 8342

Bond Firms Busy Scurry for Bonds

Strength in the Canadian bond market is the result of lack of offerings rather than outstanding strength in demand. New bond issues, either of governments and municipalities or of corporations have not been numerous this fall, and the current demands of investors have readily absorbed the small amounts of bonds that have come out. The bond market is showing too the lack of a big Dominion government issue, which usually comes at this season. Prices on practically all outstanding bond issues have been bid up this week, dealers being prepared to add half a point or so to their former bids in order to draw suitable securities to fill demands of their clients.

Lack of sufficient new offerings in Canada explains in large measure the enormous influx of foreign bonds. When the Canadian issues are not available, the easiest way to fill the public demand for investments is to import the better grade secupritie from abroad and hence to see Canadian houses booming German public utility securities, South American "department" (similar to our province) securities, French steel bonds, etc.

How long the present strength will last is a question on which unanimity of opinion does not exist.

Underwrite $250,000 Bonds of Scenic Resort Company

Royal Financial Corporation Vancouver, has underwritten the new issue of $250,000 first closed mortgage 6½ per cent. bonds of the Grouse Mountain Highway and Scenic Resort Ltd.

Directors of the Grouse Mountain Co. are: W. C. Shelly, president; W. R. W. McIntosh, H. M. Leggatt, Dan McLeod, A. M. Williamson and C. H. McDougall. When the present work under construction, including purchase of grounds, rights of way, chalet and roadway, is completed, a sum in excess of $600,000 will have been spent. This has been raised by the sale of preferred shares and common stock, held principally by the directors who initiated the development of the resort and have done the financing up to this time.

Other work has to be undertaken, including toboggan and skiing facilities, and parking accommodation, etc., and part of the money, represented by the new bond issue will be required for this account. The new bonds, of course, will come ahead of the preferred and common stock.

Canadian Fairbanks-Morse Are Finding Business Good

Canadian Fairbanks-Morse Co., Montreal, have been getting a good volume of business for the past few weeks. Among the orders in power equipment obtained recently are two roll crushers for the Asbestos Corporation and Johnson Mines; two 360-h.p. Diesel engines for the Premier Gold Mines in British Columbia; one 240-h.p. oil engine for the John Inglis Co., for use in a tub being constructed for the International Paper Co.; and one 120-h.p. oil engine for the British Columbia government for use in a ferryboat on Okanagan Lake.

Advertising that Spells Profits for the Dealer

MERCHANTS know that the lines that turn over quickest, and that have least sales resistance, are those that are nationally advertised. Such goods do not require to be "pushed" by the dealer because they are well and favorably known everywhere.

The goods advertised in MacLean's—Canada's National Magazine—are "well and favorably known" to every dealer's best customers in every part of Canada.

More and more Canadian merchants are carrying and featuring the quality products advertised in MacLean's, knowing that such lines yield the greatest returns with the least selling effort on their part.

Reaching Every Eighth Home

In every buying centre; in the largest as well as in the smallest cities; in fact, in every city, town and village of 1,000 population and over in Canada—outside of the French-speaking province of Quebec — MACLEAN'S MAGAZINE now reaches an average of approximately every eighth home.

Merchants desiring to make window displays of any of the products advertised in MacLean's will be gladly furnished properly mounted advertisements along with attractive display cards by writing Advertising Department, MacLean's Magazine, Toronto, Ontario.

MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

NEW ISSUE:
London Realty Company
Limited
6½% 15 year First Mortgage Sinking Fund Gold Bonds
Due October 1st, 1941
98½ and accrued interest, to yield about 6.65%
Full particulars on request
MATTHEWS & COMPANY
LIMITED
Bond Dealers
255 Bay St., Toronto

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO

Calgary, Alberta
Stocks, Bonds, Grain & Oil Leases
Carlile & Farr Ltd.
Private wire to all markets.
Correspondents of Logan & Bryan.

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

HB FOUNDED 1883
BONDS for SAFE INVESTMENT
GOVERNMENT, Municipal Public Utility and Industrial Bonds.
Selected with careful regard to safety, dependable income and marketability.
Write for List.
HANSON BROS.
Investment Securities
160 St. James St. Montreal — 330 Bay St. Toronto — 63 Sparks St., Ottawa

CLARKSON, GORDON & DILWORTH
CHARTERED ACCOUNTANTS
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO — TORONTO MONTREAL

Stocks and Bonds
Canadian, British and American Securities Bought and Sold on all Principal Exchanges for Cash or on Conservative Margins.
Private wire connections New York, Montreal, Toronto
OSLER, HAMMOND & NANTON Limited
WINNIPEG

We are in the market at all times for
British Columbia Municipal Bonds
British Columbia Bond Corporation, Limited
H. E. Boorman, Managing Director
VANCOUVER, B. C. — VICTORIA, B. C. — NANAIMO, B. C.

WINNIPEG HYDRO SURPLUS IN 1926 TO BREAK RECORD

Budget System and Increased Revenues to Work Result

GROUPS CO-OPERATE

By J. G. GLASSCO,
Manager, Winnipeg Hydro-Electric System.

In 1926, the City of Winnipeg Hydro Electric System will add another good year to its history. With the best revenue-producing months of the year still to come there is every indication that Hydro's statement will this year show the biggest surplus of its history. This surplus indicates, in the main, the general progress of power-consuming industries in Winnipeg during the year. Progress is further reflected in the fact that it has been necessary to instal additional turbine capacity in the generating station at Pointe du Bois. Before the end of the year No. 16 machine—the last which the station can accommodate—will be put to work and the station will be working at its full capacity of 100,000 h.p.

The foregoing emphasized the increased demand for power, due to the steady expansion of industries; but this year has seen progress in another direction—the policy of cut-throat competition between the city and the private power interests has given place to a programme of sane co-operation.

Co-operating for Progress

As the demand for hydro power increased, preliminary work was carried on at the Slave Falls site four and a half miles below Pointe du Bois. More than a year ago the hydro management recommended to the Winnipeg council that construction at Slave Falls be initiated forthwith. Council, however, hesitated to incur the expenditure of six and a half million dollars on additional construction. On the other hand the necessity for providing for the growing demand for hydro power could not be denied and rather than risk a shortage in the near future, council adopted the expediency of purchasing block of power from the local private power interests. This purchase, negotiated at the attractive price of $15 per horsepower per annum, will meet the need for hydro power until the time is ripe to undertake construction at Slave Falls. At the same time as the private company's big plant at Grand Falls was developing only a fraction of its potential output, this purchase creates the opportunity for this plant to earn a return on the heavy investment it represents.

The getting together of the city with the private power interests is significant of the new era when all forces in the city are joining in a co-operative effort to achieve Winnipeg's destiny as a city of industries.

Project Twenty Years Old

Just over twenty years ago, the public began to take cognizance of the fact that nature had provided on the Winnipeg River, within 75 miles of Winnipeg, power sites capable of developing well over half a million horsepower. Further, they sensed the necessity of providing abundance of power at low rates if manufacturers were to be induced to invest in plant in Winnipeg. This consequently lead in 1906 to the citizens endorsing a by-law for the expenditure of three and a quarter millions of dollars on the construction of a generating station at Pointe du Bois. This by-law provided, too, for deficits to be met by special tax levies—but happily these have never been necessary. Not one dollar of taxes has ever been paid, directly or indirectly to meet the expenditures incident to this development.

To-day the citizens own in their hydro a utility worth close to 22 millions of dollars; a utility that has paid its way out of earnings, and accumulated reserves exceeding five millions.

This year an internal budget system was introduced by hydro for the more efficient control of the expenditures of its various departments and the better application of hydro's policy of rigid economy. The following table (comparing the first nine months of this year with the same period in 1925) shows how this budget system, coupled with increased earnings, has resulted in a distinct improvement in hydro finances, has laid the foundation for a surplus for the year estimated at $190,000—the largest in Hydro history.

	1925 Jan. 1 to Sept. 30	1926 Jan. 1 to Sept. 30
Gross Earn.	$1,446,823.11	$1,554,926.00
Oper. expenses ..	749,361.08	667,650.00
Net Earnings ..	6[illegible]7,462.03	887,276.00
Fixed Charges ..	748,350.15	809,844.00
Deficit	50,888.12	Surp. 77,432.00

Estimated Surplus for 1926—$190,000.

Steady Growth of Hydro's Plant

Construction of the Pointe du Bois generating station began in 1907. Current was first delivered to customers in 1911. By 1918 the installation had been increased to 45,000 horsepower. In 1919 the power house was completed; additional machines were installed to bring the capacity up to 70,000 horsepower; and a duplicate transmission line was built. To make the service still more dependable a steam standby plant was erected within the city limits in 1921. In 1922 mains were laid to allow this steam plant to distribute steam for heating buildings in the central section of the city and so earn a large part of its overhead. In 1925 the main dam at Pointe du Bois was reinforced, and provided with sluice gates for better control of the flow of water; work was carried on to make the rockfill water-tight and a great part of the duplicate transmission lines were reinsu.ated. Already this year the fifteenth generating unit has been put into operation and before the year ends.

Calls it Well-balanced System

Winnipeg's hydro is to-day a balanced system maintained at high efficiency. The Pointe du Bois generating station, now loaded to its full capacity, should be good for generations to come. Preliminary survey work has already been carried out at Slave Falls where an additional 70,000 horsepower will be developed; a contract has been negotiated for the purchase of the necessary power from the private company until the time is ripe to undertake this construction.

The city of Winnipeg's central station heating plant—designed primarily as a standby power station—is proving its ability to give service and earn revenue by delivering steam for heating purposes.

The necessity for an emergency power plant in the city if hydro was to retain its essential power business, meant the investment of three-quarters of a million dollars in boiler equipment which might not be called upon once in months or even years. The addition of the central heating system created the opportunity for the boiler installation to operate seven months a year and earn at least part of the heavy annual charges. In addition to solving the problem of this heavy financial burden imposed on the electric utility, the central steam heating system is developing into a new utility of wonderful possibilities.

In 1925 35 million units of Hydro's peak-off power, which could not otherwise be marketed, was utilized in combination with 10,000 tons of Western Canada coal to produce 250 million pounds of steam for central heating customers. Two-thirds of this steam was produced by the off-peak energy.

Already this year $60,000 worth of new business has been contracted for. In 1927 the revenue will exceed a quarter of a million dollars and the steam heating system will show a surplus, as was forecast in the original prospectus by which this utility was introduced.

The development of industries in Winnipeg and Manitoba rests largely on putting cheap power to ever-wider use. When the output of the Winnipeg River is taxed to supply the demand, the great soft coal fields to the west will be drawn up to help carry the load; for still later development the Nelson, the great river of the north, holds a reserve of four million horsepower. With sane co-operation in future developments, Winnipeg will always be the city of cheap power—a good place to live and the logical location for new manufacturing plants.

Growth of Winnipeg Hydro System

For Year Ending April 30	Tot. Assets	Tot. Reserves	Gr. Earn	Tot. Exp.	Surplus for Year
1913	$6,623,663.56	$20,[illegible]36.52	$545,644.18	$629,077.28	$83,432.90x
1914	7,847,501.39	360,901.50	867,621.47	785,723.51	81,897.96
1915	8,181,372.78	640,213.72	976,347.50	897,662.78	78,684.72
1916	8,630,710.80	928,914.92	995,511.37	915,781.70	79,729.67
1917	9,070,627.51	1,273,714.41	1,020,480.25	935,905.72	84,574.53
1918	9,535,173.11	1,615,618.68	1,056,281.88	1,001,541.82	54,740.06
1919	10,243,773.63	1,996,604.79	1,097,196.99	1,044,315.99	52,881.00
1920	11,763,354.28	2,406,145.18	1,279,469.41	1,099,189.88	180,279.53
Year End. Dec. 31st—					
1921	15,397,571.80	3,458,407.16	1,572,150.24	1,599,427.45	27,277.21x
1922	16,657,895.27	3,743,896.36	1,659,725.50	1,645,116.24	14,609.25
1923	17,681,828.22	4,217,621.24	1,741,963.68	1,609,761.64	126,833.70
1924	19,878,993.08	4,688,630.07	1,863,175.05	1,754,854.56	110,084.68
1925	21,411,922.28	5,003,638.74	2,037,710.81	1,999,584.27	44,059.21

xDeficit.

Year	No. of Customers	K.W.H. Generated Total	K.W.H. Generated Per Customer	Peak Load H.P.
1913	22,015	38,704,220	1,759	14,080
1914	29,732	60,337,635	2,000	19,550
1915	32,953	70,654,360	2,141	23,030
1916	34,345	75,634,750	2,206	26,130
1917	35,392	82,278,970	2,343	27,800
1918	36,343	85,336,830	2,371	28,000
1919	37,809	88,947,190	2,404	31,133
1920	39,877	99,524,550	2,583	35,000
Year ending December 31st—				
1921	44,953	125,124,855	2,780	46,000
1922	48,501	144,509,429	3,000	51,000
1923	51,293	164,609,860	3,227	53,500
1924	57,265	200,520,080	3,518	64,000
1925	62,508	261,996,380	4,209	80,000
1926 October 27	64,557			90,100

Increased Sugar Prices Benefit Both Companies

From Our Own Correspondent

MONTREAL.—The price of raw sugar has recently increased to over 3 cents a pound. The effect of the advance would be substantial to those sugar refineries which were holding large stocks at the time of the increase in price. The producing companies, such as the Cuban Canadian Sugar Company, stand to benefit directly, as these companies grow their own cane and during the past few years have been barely breaking even on their output. The Cuban Canadian Sugar Company's 8 per cent. preferred dividends are some 48 per cent. in arrears; if the rise in the price of raw sugar be continued, it might have some effect on this stock which until recently, was quoted at around 29. The Atlantic Sugar Refineries, it is understood, has also benefitted as it is said to have had large inventories which were purchased at the lower price level.

Manitoba Mill Producing Probably by Year End

From Our Own Correspondent.

MONTREAL.—The present progress being made with the installation of the first machine at the Manitoba Paper Company's plant at Pine Falls, Manitoba, indicates that the mill will enter production before the close of the year. At the present time some 800 men are employed on construction work. The output of each of the company's two machines when tuned will approximate 125 tons daily, most of the production will be shipped to Chicago.

Unlisted Bonds

Abitibi P. & P. 6s 1940	104	105
Algfoma Steel 5s 1962	28½	30
Anticosti Corp. 6½s 1941	101¾	102½
Bell Telephone 5s 1955	100½	101¼
Belco Can. Paper 6s 1943	101½	102½
Brandram Henderson 6s 1939	86½	88½
Brompton P. & P. 6s 1946	97¾	98¾
Burns, P. & Co. 6½s 1943	102½	103½
Calgary Brewery 5s 1942	85½	87
Calgary Power 5s 1940	88¾	89¾
Canada Biscuit 6½s 1946	100	100¾
Canada Lt. & Pr. 5s 1949	89	90¼
Can. Car & Fdry 6s 1939	103¼	104½
Can. Nor. Power 6½s 1941	99¼	100¼
Can. Steamship 5s 1943	96	97
Can. Steamship 6s 1941	95	96½
Can. Salt 6s 1946	101½	103
Can. Steel Fndry 6s 1936	103¼	105
Cedar Rapids 5s 1953	99½	100½
Davis, Wm. 6s 1942	93¼	94¼
Dominion Iron 5s 1939	27	30
Dom. Power & Tr. 5s 1932	96⅛	97⅜
Dominion Textile 6s 1949	106	107½
Duke-Price Pr. 6s 1966	103⅝	104¾
East Kootenay Pr. 7s 1942	104	105½
Elev. Development 5s 1933	99¾	100½
Fraser Co. 6s 1950	97	98¼
Gatineau Power 5s 1956	94¾	95½
Howard Smith P. & P. 7s 1941	102¾	103½
International Paper 6s 1955	99¼	100½
Jamaica Pub. Serv. 6½ 1943	102¼	103¼
Kaministiquia Pr. 5½s 1950	99¾	101
King Edward Hotel 7s 1944	92	95
Lake Superior P. & P. 6s 1941	105½	107½
Laurentian Pr. 6s 1936	100¾	102
Laurentide Pr. 5½s 1946	101	102½
Maple Leaf Mfg. 6½s 1943	103¼	104½
Maritime Tel. & Tel. 6s 1941	103	105
Manitoba Pr. 5½s 1951	96½	97¼
Mattagami P. & P. 7s 1949	60	64
Mercury Mills 6½s 1943	100¼	101½
Mont. L. H. & Pr. 5s 1951	99	99½
Mont. Pub. Service 5s 1942	97¼	98¼
Nor. Can. Pr. 6s 1945	100	101
Nor. Ont. L. & P. 6s 1946	100	100⅞
Nor. West. Utilities 7s 1938	99	100½
Nova Scotia Steel 5s 1959	57	61
Nova Scotia Steel 6% Debs.	29	32
Nova Scotia Tram. 5s 1946	89	90½
Nova Scotia Tram. 7s 1952	97	99
Ont. Pulp & Paper 6s 1931	108	109
Ottawa Gas 6s 1939	102¾	103½
Ottawa Hull Pr. 6s 1948	103	104¼
Ottawa L. H. & Pr. 6s 1953	104	105½
Ottawa Mont. Pr. 6½s 1949	102¼	103¼
Ottawa Riv. Pr. 6½s 1953	102¼	103¼
Ottawa Trac. 5½s 1955	99½	100½
Port Alfred P. & P. 6½s 1943	101¼	102
Price Bros. 6s 1943	103	104
Prov. Lt. & Pr. 5s 1946	100¼	101½
Page Hersey 6s 1946	101¼	102½
Quebec Pr. 6s 1953	105	106
St. Lawrence Paper 6s 1946	97¼	98¼
St. Maurice Pr. 6½s 1953	107½	108½
St. Maurice Valley 6s 1945	99	100
Shawinigan W. & P. 6s 1950	105	106½
Simpson, Robt. 5s 1952	94¼	96
Simpsons, Ltd., 6½s 1945	101¼	102¼
Southern Can. Pr. 5s 1955	96½	97¼
Spanish River P. & P. 6s 1931	108	109½
Spanish Riv. P. & P. 8s 1941	106½	108
Walmsley, Chas. 6s 1943	91	95
West Kootenay Pr. 6s 1943	103¼	104½
West Pr. of Can. 5s 1949	96	97
Winnipeg Elec. 6s 1954	99	100
Winnipeg Elec. 5s 1935	96½	98

Tenders and By-laws

Dec. 6, Farnham, Que.—$25,000, 5 per cent. serial bonds. J. L. Sevigny, Sec.-treas.

Dec. 7, Sturgeon Falls.—$38,549, 6 per cent., 20 and 30-yr. local improvement and waterworks debentures. A. E. Blagdin, town clerk. (See announcement on page 16).

Dec. 14, Chippawa.—$11,000, 5½ per cent., 20-instal. debentures. J. G. H. Young, clerk. (See announcement on page 16).

This Week's Bond Sales

BUCKINGHAM BONDS SOLD

The town of Buckingham, P.Q., sold an issue of $124,900, five per cent., 22-year serial bonds to Versailles, Vidricaire & Boulais at 98.29. Tenders follow:

Versailles, Vidricaire & Boulais	98.29
Dyment, Anderson & Co.	98.11
Hanson Brothers	9[illegible].21
Le Credit, Anglo-Francais	96.62
Mead & Co.	96.57
L. G. Beaubien & Co.	95.40
Largueux & Darveaux	94.58

TOWN OF PORT HOPE

An issue of $52,000, Town of Port Hope, five per cent., 20-instalment bonds has been awarded to R. A. Daly & Co., at 99.54, or on a cost basis of 5.055 per cent. The bids were:

R. A. Daly & Co.	99.54
A. E. Ames & Co.	99.47
C. H. Burgess & Co.	99.33
Wood, Gundy & Co.	99.30
Macneill, Graham & Co.	99.27
Matthews & Co.	99.22
Hanson Bros.	99.17
Dyment, Anderson & Co.	99.147
Stewart, Scully & Co.	99.131
Gairdner & Co., Ltd.	99.082
McLeod, Young, Weir & Co.	98.90
H. R. Bain & Co.	98.67
Roberts, Cameron & Co.	98.65
Fry, Mills, Spence & Co.	98.63
W. A. Mackenzie & Co.	98.07

KINGSTON BOND ISSUE

Wood, Gundy & Co. were the successful tenderers for an issue of $143,000 five per cent., 10 and 30-year bonds of the City of Kingston at 100.10, or at a cost basis of approximately 4.99 per cent. The bids were:

Wood, Gundy & Co.	100.10
McDonagh, Somers & Co.	99.96
Macneill, Graham & Co.	99.713
A. E. Ames & Co.	99.71
H. R. Bain & Co.	99.65
Royal Securities Corp.	99.64
Bank of Nova Scotia	99.59
R. A. Daly & Co.	99.58
Stewart, Scully & Co.	99.541
Dyment, Anderson & Co.	99.49
McLeod, Young, Weir & Co.	99.40
Dominion Securities Corp.	99.388
C. H. Burgess & Co.	99.38
Gairdner & Co.	99.3[illegible]2
National City Co.	99.36
Hanson Bros.	99.333
Matthews & Co.	99.26
Fry, Mills, Spence & Co.	99.07
W. A. McKenzie & Co.	98.07

TORONTO BOND ISSUE

The offering of $7,722,000 City of Toronto, 4½ per cent. serial bonds has been awarded to a syndicate composed of Wood, Gundy & Co., A. E. Ames & Co., and Chase Securities Corporation, on a bid of 96.197 for bonds, payable in New York funds, costing the city 4.958 per cent. The following tenders were received:

Wood, Gundy & Co., A. E. Ames & Co.; Chase Securities Corporation	96.197
Blair & Co., Inc.; Equitable Trust Co., New York; Halsey, Stewart & Co., Inc.; E. H. Rollins & Sons; Continental Commercial Co., Chicago; Canadian Bank of Commerce; R. A. Daly & Co.; Matthews & Co.	95.94
Bank of Montreal; First National Bank; Kissell, Kinnicutt & Co.; Redmond & Co.; Hallgarten & Co.; W. R. Compton & Co.; Eldredge & Co.; National Park Bank; Hanson Brothers; Fry, Mills, Spence & Co.; Saloman Brothers & Hutzler	95.6749
Dillon, Read & Co.; Bankers' Trust Co.; Canadian Bank of Commerce; Dominion Securities Corporation	95.259
National City Co.; Harris, Forbes Co.; Guaranty Co. of New York; Lee, Higginson & Co.	95.239
Wood, Gundy & Co.; A. E. Ames & Co.; Royal Bank of Canada	95.959
Matthews & Co.; R. A. Daly & Co.; McLeod, Young, Weir & Co.; Bell, Gouinlock & Co.; Aird, McLeod & Co.; Dyment, Anderson & Co.; Dominion Bank	95.577

It is understood that the bonds will be offered simultaneously in United States and Canada, and owing to the popularity of City of Toronto bonds in both markets it is expected that they will be quickly distributed.

BOND MOVEMENTS OF THE WEEK

Week Ending November 30

Bonds—	Int. Rate	Due	Yield	Range 1925 High	Range 1925 Low	Range 1926 High	Range 1926 Low	Latest Ask	Latest Bid	Price High	Price Low
Asbestos G. Mtge.	6	1956	6.88	.....	...	88	81¾	88	87	89	87
Can. Bakeries	6½	1945	6.30	.....	...	102¼	102¼	...	...	102¼	...
Can. Canners	6	1950	6.24	96½	90	100	94	97½	96½	97	...
Canada Cement	6	1929	5.35	103½	100	102¼	100½	...	102	101½	...
Cons. Rubber	6	1946	5.82	101	95	102¼	100	102¾	101½	102	...
Dom. Iron	5	1929	...	94	86	92	69	...	71½	71½	...
Montreal Trams.	5	1941	5.19	98	97	102½	96½	98¼	98	98	...
Do. "A"	5	1955	5.44	98	92⅛	93⅞	93	93¾	93½	93½	93⅛
Ogilvie	6	1932	5.11	106	104	104½	103	...	104¼	104¼	...
Sao Paulo	5	1929	6.11	95	91	97⅛	95½	98¼	97	97⅛	...
Steel of Canada	6	1940	5.20	106	103	107⅞	106	...	100	107¾	...
Rio Janeiro	5	1935	5.86	95½	82	95⅞	91½	95¼	94	94⅛	...
Wayagamack	6	1951	6.00	98¾	84¼	100⅝	91¾	100¾	100	100	...
War Loan	5	1931	4.77	102.65	101.00	102.40	100.35	101.20	100.85	101.00	100.80
Do.	5	1937	4.64	104.95	103.80	104.65	102.75	103.35	103.05	103.15	102.75
Victory	5½	1927	4.74	103.15	101.70	101.75	100.00	101.00	100.65	100.65	.....
Do.	5½	1933	4.80	107.00	105.10	106.80	103.65	104.25	104.20	104.30	103.90
Do.	5½	1934	5.00	104.80	103.20	104.10	102.70	103.40	103.15	103.40	103.00
Do.	5½	1937	4.70	110.00	108.15	109.30	106.90	107.70	107.40	107.75	107.25
Do., Renewal	5½	1927	4.95	103.15	101.70	101.75	100.00	100.60	100.25	100.65	100.10
Do.	5½	1932	5.02	104.20	102.60	103.40	102.00	102.60	102.25	102.65	102.15
Do., Refund.	5	1928	4.90	104.45	100.15	101.30	99.00	100.35	100.00	....	....
Do.	4½	1940	4.86	97.25	92.00	96.70	95.60	96.25	95.95	96.25	95.80
Do.	5	1943	4.85	102.95	100.15	102.20	101.15	102.00	101.65	101.70	101.50
Do.	4½	1944	4.83	97.65	96.20	97.15	95.75	96.35	96.10	96.15	96.00
Do.	4½	1946	4.77	.....	....	96.80	95.65	96.15	96.10	....	....

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal Sold To	Rate	Maturity	Amount	Price	Cost Basis
Buckingham	Nov.	Versailles, Vidricaire & Boulais	5%	22-yr. ser.	$124,900	98.29	...
Kingston	Nov.	Wood, Gundy & Co.	5%	10 & 30-yr.	143,000	100.10	4.99
Port Hope	Nov.	R. A. Daly & Co.	5%	20 ins.	52,000	99.54	5.055
Toronto	Nov.	Wood, Gundy & Co. and Syndicate	4½%	Serial	7,722,000	96.197	4.958
Medicine Hat	Nov.	G. A. Stimson & Co.	5½%	20-yr.ser.	42,965	....	...
Sandwich	Nov.	Wood, Gundy & Co.	5%	10 & 15-yr.	133,611	97.68	...

Jones Bros. of Can., Ltd.
(DOMINION CHARTER)
6½%
First Mortgage
20 Year Sinking Fund
GOLD BONDS
Offer a sound investment in the consolidation of Canada's largest businesses devoted to the manufacture and distribution of store fittings and barber's supplies.
Total net assets held as security for the issue equal $2114.79 for each $1,000 of the issue outstanding; current assets are 3 1-2 times current liabilities, and estimated 1926 earnings before provision for interest, depreciation and Federal taxes will be in excess of 3 1-2 times bond interest requirements. Sinking fund provisions are estimated sufficient to retire 50 per cent. of the issue by maturity.
The business of the company shows promise of continuing the steady and substantial increase which has been characteristic of the past 40 years of growth.
Price: 100 and Interest, Yielding 6½ per cent.
Write for complete details
Gairdner & Co. Limited
312 Bay Street, Toronto 2, Ont.

BONDS
Government
Municipal
Industrial
Utilities
List on request
ESTABLISHED 1910
CREDIT-CANADA
LIMITEE
Investment Bankers
120 St. James St., Montreal
Main 4191★

Public Services
Public Service Companies are public necessities and grow as the country grows. That issues of such companies therefore possess a high degree of security has been amply demonstrated in the cases of the following:
Montreal Tramways 5% 1941
Montreal Tramways 5% 1955
Bell Telephone......5% 1955
Quebec Power.......6% 1953
Quebec Ry...........5% 1939
St. Maurice Power 6½% 1953
Montreal Pub. Ser...5% 1942
Laurentide Power..5½% 1946
Duke-Price Power....6% 1966
Manitoba Power...5½% 1951
M. L. H. & P...........5% 1951
Gatineau Power......5% 1956
Gatineau Power......6% 1941
Can. Nor. Power 6½% 1941
Winnipeg Electric...6% 1954
Our trading department buys and sells Public Service Securities at the most favorable market prices.
Send for our circulars
RENE-T. LECLERC
Incorporated
Montreal—160, St. James St.
Quebec—71, St. Peter St.
(ESTABLISHED 1901)
E212

F. H. Blakely. C. E. Bowden
F. H. BLAKELY & CO.
Real Estate Mortgage Bonds
Originated Underwritten
NORTHERN ONTARIO BLDG., TORONTO
Telephone Ad. 0669.

VERSAILLES-VIDRICAIRE-BOULAIS - LIMITED
Investment Bankers
MONTREAL QUEBEC
Quebec Municipals and Industrials a Specialty

We recommend
PUBLIC UTILITY BONDS
Send for our Selected List
Browne, Urquhart & Co.
Limited,
180 St. James St. Montreal
Tel. Main 8011*.

FOREIGN SECURITIES
We are active in all foreign issues. Ask for quotations.
Have your name placed on our mailing list.
EUROPEAN DEBENTURE CORPORATION, LTD.
120 St. James Street, Montreal

BONDS FOR INVESTMENT
HOUSSER, WOOD & CO.
LIMITED
Investment Bankers
ROYAL BANK BLDG. TORONTO

OSLER & HAMMOND
F. G. OSLER G. T. CHISHOLM
H. F. MARRIOTT H. FRANKS
Stock Brokers and Financial Agents
Members Toronto Stock Exchange, Montreal Stock Exchange
21 JORDAN STREET, TORONTO

WILLIAMS, PARTRIDGE & HODGSON LIMITED
Investment Bankers
171 St. James St. MONTREAL

Mara & McCarthy
Members Toronto Stock Exchange
Stock Brokers
297 Bay Street - TORONTO
TELEPHONES ELGIN 3294-5-6-7

H. C. Monk & Co.
Government, Municipal and Corporation Bonds
Canada Life Bldg. Ottawa

Power Demand Doubles Every Seven Years
That is a matter of record for Canada and the United States.
The reasons are clear—population increase, industrial expansion, growing use of appliances which require electric power.
And that is why securities of power companies rank next to high-grade government bonds in public favor.
The Quinte and Trent Valley Power Co. is a power company which enjoys a strong financial position and can look to a prosperous future. Present earnings leave a substantial margin for common stock dividends after meeting preferred stock dividends and all prior charges.
We strongly recommend the preferred stock as a secure and profitable investment.
Price: $99.00 a share and accrued dividend to yield more than 7 per cent.
JOHNSTON AND WARD
14 King St. East, Toronto
Members Montreal Stock Exchange, Toronto Stock Exchange

Forty-Three Years of Experience Crystallized in This Booklet ---Send for a Copy
Since 1883 the investment banking house of G. A. Stimson & Co. has followed a course of strict adherence to sound investment principles. During this span of years, which carried this organization through several major and minor business and financial depressions, in which at some time or other practically every class of investment was affected, no security sold or recommended by this house failed to pay principal and interest—a record we are proud of, and one we guard zealously.
Now, as a result of almost a half century of investment experience, we are offering to the investors of Canada what we consider to be the safest and most convenient investment it has been our pleasure to offer.
This investment has all the advantages and none of the disadvantages of other high-grade investments—it is an investment trust, backed by trustee investments, and returns a full 5½% for a twenty-year period.
If you would know more about this opportunity, send today for a copy of our booklet which explains the security back of this issue. You will be under no obligation to purchase.
The Investment Trust
G. A. STIMSON & CO.
LIMITED EST. 1883
The Oldest Bond House in Canada
300 BAY ST. TORONTO
Gentlemen:
Kindly send me a copy of your booklet, "The Investment Trust." I understand this places me under no obligation whatever.
Name ....
Address ....

Insurance for Buyer and Seller

Protecting Insurance Money After Death May Become Companies' Role

One of the most compelling reasons that has been offered by the seller of life insurance to a prospective client, is the need of providing an adequate settlement after death. Modern salesmanship seems to demand that an agent no longer sell a policy merely as a 20-pay life or a 15-year endowment, but rather, that he couch the policy in terms of the amount which it will provide over a period of years, after the death of the insured. To use the professional term, "selling settlements" has now become a very important factor in the sale of life insurance.

This plan of "selling settlements," means that the old idea that an insurance contract was delivered when it was placed in the buyers' hands has been discarded. To-day, the prospective buyer is urged not to think of his beautifully-lithographed contract for which he is paying so much a year, but to think of the settlement which he has bought for his dependents and which has been planned to cover their needs in the event of death. To use a familiar phrase the buyer of insurance is urged to "program" the needs of his dependents and to realize that the insurance contract is fulfilled only when the final settlement has been made, over a period of years, to his beneficiaries.

Like Shingling a Roof

Dr. George B. Van Arsdall, of the Equitable Life Assurance Society, has outlined several benefits to policyholders who plan their insurance from the viewpoint of the ultimate settlement value of the policy. In the first place it is the only method by which the purchaser can judge the amount of insurance which he should own. If there is a roof to be shingled one would not buy a load of shingles from one man and a load from another, and then hope to have enough to cover the roof. The logical method would be, of course, to first measure the roof and then buy sufficient shingles to cover it. So with life insurance, the logical approach is to measure the needs of your dependents or estate and then provide for them accordingly.

Another value of the settlement plan is that it gives one's family the benefit of one's judgment as to how the money should be used. Men of moderate means who do not think of having their estates administered by a trust company can, nevertheless, plan the administration of their insurance in such a way as to avoid the improper use of the capital provided by an insurance policy.

Programming and Its Problems

Although this is undoubtedly a sound selling argument for the insurance agent, the increase of "programming" in the last few years, has laid some peculiar problems at the feet of the insurance companies. The question is being asked both in Canada and the United States as to just how far an insurance company should go, in making itself a trustee of the proceeds of its client's policy.

In this respect, as in many others, the Canadian companies are more conservative than those across the border, and the general policy in this country has been to avoid as much as possible the functions of a trustee. According to the Ontario Insurance Act which is the model for eight out of the nine provinces, the insurance company "may hold the insurance money on any part thereof, after maturing of the contract for the benefit of the beneficiary as may be provided in the contract or agreement, allowing and paying to the person entitled to such insurance money, or any part thereof, interest thereon at a rate not less than that specified in the contract or agreement."

Thus in some respects at least, the insurance companies are qualified to administer the proceeds of a policy in the capacity of a trustee.

Not Legal Trustees

In most other respects, however, the Canadian insurance companies are not legal trustees. In the first place they are not requested to segregate the sums of money which they handle for each individual client. Trustees are required to earmark individual monies and the profit or loss accrues to the individual estate. Insurance monies, on the other hand, are all invested as one sum, and any loss or profit accrues to the whole of the company's reserves, to be distributed in turn to participating policyholders. Then again, insurance companies do not comply with the legal requirements which state definitely the limits wherein trust funds must be invested.

In the United States there has been a very definite movement towards the enlargement of an insurance company's functions in this respect. One large company maintains a trust department of its own and undertakes definitely to administer the insurance monies of policy holders.

However, the complexity of state laws is causing very serious difficulties regarding administration, and the opinion is expressed that the companies who attempt to enter this field must be prepared to run a whole gamut of complex inheritance laws, which are entirely beyond the field of life insurance.

To Have Far-Reaching Effect

Some authorities state that the increase in "programming" and the movement towards "settlement selling" is going to have a far-reaching effect upon the character of life insurance in the future. At present the policy of Canadian companies has been to fight shy of complicated trustee obligations on the basis that it is not the function of the insurance company to act as a trustee in the legal sense of the word. Anything that involves bequests beyond the scope of an insurance company. But with Canadian companies doing business in the United States and vice versa, competition must inevitably demand a progressive policy on the part of companies in both countries. Thus the future seems to present exceedingly interesting possibilities.

WHEN POLICY LAPSES, WHAT HAPPENS THEN?

Various Plans for Carrying on Insurance That Policyholder Has Paid for

What happens when a life insurance policy lapses? As a general rule any one of three things may happen, depending on the circumstances and upon the country in which the policy is held. In Canada the usual procedure is what is called an "Automatic term loan." As son as the premiums on an unexpired life insurance contract are stopped, the company automatically pays the overdue premium from the cash surrender value of the policy. In other words as long as there is any equity, the company will loan a policyholder sufficient money to pay his premiums. The advantage of this plan is that when the premium payments are again resumed, the policy continues as before without the insurer submitting to any medical examination.

Plan Across Line

In the United States the most common plan is what is called "automatic extended insurance." By this method as soon as a premium becomes overdue the company computes the number of years that they will carry the policyholder and extends the policy for that length of time. Suppose Mr. Jones fails to pay the premium on a $10,000 policy which he has been carrying for five years. The company estimate that on the strength of the five premiums which he has already paid, they will carry him for seven years without any further payments. If he dies during that time he receives the full amount of the policy, but if he is still living at the end of the seven years he receives nothing. Usually there is the opinion that within a year or two after his premium has lapsed, he may reinstate the policy by the payment of back premiums. If he does this he is subject to a medical examination, upon which the amount of his future premium payments will be based.

The third method is what is called "automatic paid-up insurance." By this plan if a premium lapses the policy becomes automatically paid-up for a certain fraction of its face value, depending upon the amount of money that has been paid to the company. This plan is not so common as the other two, but is used by Canadian companies in the case of a policyholder who is "rated up" above the average or normal risk.

THE
IMPERIAL
GUARANTEE AND ACCIDENT UNDERWRITERS
Guarantee, Accident, Automobile, Burglary, Sickness, Plate Glass, Fire.
HEAD OFFICE:
22 Wellington St. E., TORONTO.

Metropolitan Life Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received. Canadian policies issued and Canadian claims paid in Ottawa.
Business Written in Canada in 1925 ... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925 ... $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925 ... 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925 ... $8,540,178
Investments in Canada, at end of 1925 ... $125,150,919
Invested in Canadian Government and Municipal Bonds ... $86,743,283
Canadian Head Office
Ottawa, Canada.

Fire Men Will Discuss Vexed Auto Question

The Canadian Fire Underwriters' Association is holding its semi-annual meeting in Montreal next week, and it is expected that the subject of automobile insurance rates, which was discussed at Ottawa a short time ago, will again be brought up. Lyman Root, Toronto, of the Sun Assurance Co., is chairman of the committee which met at Ottawa, and which was representative of practically every company interested in the solution of the automobile insurance rate problem. The Ottawa meeting was the result of the report of the special committee of company managers who visited Western Canada in September and made various important recommendations regarding the automobile insurance rates.

Maritime Life Now Has $3,000,000 Business in Fire

Hon. E. A. Reilly, president of the Maritime Life Assurance Co., stated recently that the company was making substantial progress and that the success of the Maritime Life Co. had been favorably commented upon by the federal department of insurance.

The Maritime Life now has over three million dollars worth of business in force and what is more gratifying still, shows a surplus of between $35,000 and $50,000 and a reserve for the policy holders of over $100,000.

The showing made by this Maritime company, with headquarters in Halifax, compares favorably with that of any other company of like age in the Dominion. It generally takes nine to twelve years before a life insurance company pays a dividend, but if the Maritime Life continues its present progress and unless something unforeseen occurs, the prospects are bright that a dividend will be available to the shareholders in a much shorter period.

The superintendent of insurance has recently authorized the extension of the company's license to cover Canada from coast to coast.

Honey Proves Big Source of Revenue for B.C. Farms

British Columbia's honey industry will return the record profit of 43 per cent. on the capital invested this year, according to figures issued by the department of agriculture.

Statistics for the present year show that the crop will amount to 898,257 pounds, valued at $197,616, based on 22 cents per pound. To this is added the value of beeswax produced to the amount of 10,000 pounds, worth $5,000. Comparing these figures with the estimated value of apiary equipment, on a basis of 16,988 hives at $424,700, the percentage of profit is shown as 43 per cent.

This constitutes the highest record ever attained in the province.

Insurance Personals

J. J. Allan, who has been in charge of the Manitoba office of the Northern Mutual Fire Insurance Company, is now in temporary charge of the Hamilton head office of that company. It is considered probable that the new manager in Hamilton will be H. W. Schnell, of Seattle.

DOMINION LICENSE ISSUED

Dominion insurance license has been issued to St. Paul Fire and Marine Insurance Company to write burglary insurance.

Lag Behind in Publicity So Lose Out in Sales

The Financial Times, of London, Eng., has a very interesting article on Canadian insurance, in which it stresses the greater adoption of the insurance principle in the Dominion than in the mother country, emphasizing this point by reminding its readers that whilst the amount of life insurance in Canada is about £100 per capita, in this country it is only about one-third of this figure. A new record has been set up for 1925 in this respect. It also contrasts the poor showing made by the British offices as compared with the Dominion total, which is responsible for the bulk of the life business written, with the United States a strong second—in striking contrast to experience in the fire insurance field.

It connects the poor showing made by the British offices with the small ratio per head which persists in the mother country. Postulating that there must be some explanation for it, it points out that "conceivably it must be found in the British professional attitude to the value of assurance and its psychological reflection on potential assurers."

Dealing with the figures for the 1875-1925 period, it stresses the fact that whilst the business of the Canadian offices has increased over 80 times, and that of the American nearly 30 times, that of the British companies has expanded only about ten times, and adds: "Moreover, while both the Canadian and the United States offices have since 1919 been building up quite a nice little group business, our people have not ventured to touch it."

"We think, perhaps, the explanation of the slow progress of the growth of the British business done in Canada may be attributed to the much greater activity of the Canadian and American offices in propaganda," says "Canada," also of London, Eng. "Of late the British companies have shown a greater disposition to imitate the publicity campaigns of the great trans-Atlantic offices, and it will be interesting to witness the effect of this change of attitude in this respect in the results achieved during the next few years."

Deny C. O. C. F. Merger

There have been several rumors abroad in fraternal circles to the effect that the Chosen Order of Chosen Friends, in Hamilton, were to be taken over by the Independent Order of Foresters. In conversation with The Financial Post this week, W. F. Montague, of the former company, said that the rumor was entirely false and absolutely without foundation.

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY
LIMITED
Trustees, Executors, Administrators, Real Estate and Insurance, Safety Deposit Vaults.
W. G. ROSS, Chairman of the Board
B. HAL. BROWN, President and General Manager
HEAD OFFICE
PRUDENTIAL TRUST BLDG., Montreal
TORONTO OFFICE
Reford Bldg., 217 Bay St.
Branches throughout Canada and in London, Eng.

The
ONTARIO EQUITABLE
Life and Accident Insurance Company
S. C. TWEED, President
Head Office
WATERLOO, ONT.
Assets over $2,000,000

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

CONFEDERATION LIFE ASSOCIATION
HEAD OFFICE TORONTO
BUY YOUR OWN PENSION.
Send for interesting booklet free of cost.
'YOUR KEY TO HAPPINESS'

The NORTHERN
LIFE ASSURANCE COMPANY OF CANADA
Good insurance salesmen can always find a place with our growing organization.
Write for full particulars.
Head Office: London, Ontario.

THE
CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
Head Office for Canada: HAMILTON, ONTARIO
Writing Fire Insurance at Cost — Assets $3,118,764.07
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE
BRANCH OFFICES
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

SIR JAMES WOODS OPTIMISTIC

Tremendous Increase in Value of Agricultural Production.

Water Powers Soon to Develop Five Million H.P.—Vice-president's Address to Imperial Bank Shareholders

Sir James Woods, Vice-President of the Imperial Bank of Canada, addressed the Shareholders as follows:

General Conditions Are Better

The Canadian economic position improved materially in 1925, and general conditions to-day are better than at any time since 1920. An increase in the value of agricultural products in 1925 to approximately $1,700,000,000 was, more than anything else, responsible for the improved situation.

Not many realize the impetus War gave to agriculture. In 1913, Canada had under cultivation 33,500,000 acres. In 1925, 53,800,000, or an increase of about 60%. Large and profitable field crops enabled the farmers of the West to pay, or greatly reduce, their debts; and this year's crop has put them in funds for replenishing personal and household requirements, creating commercial activity in the West, which was immediately reflected in the East. This general prosperity again is reflected in the banking situation, and your Bank, in common with others, has just closed a very satisfactory year; and all signs point to a continuance of, and I believe an increase in, this prosperity.

A point that may qualify this optimistic forecast is the recent marked decline in our favorable trade balance, which may be spasmodic and of no great significance. For the last three months, August, September and October, our excess of exports over imports amounted to $50,000,000, as against $122,000,000 for the same three months of the preceding year.

Railway Earnings Up Ten Per Cent.

I regard railway earnings as a dependable trade barometer. The combined gross earnings, C.P.R. and C.N.R., were, for twelve months ending September:

1924	$296,211,514
1925	289,530,060
1926	322,364,661

Or an increase this year over last year of 10%.

Increased Deposits and Current Loans

The two items in a Bank's Balance Sheet, which serve as an index, are deposits bearing interest and current loans and discounts. The former show, in our Balance Sheets, an increase this year over last of 7½%, the latter an increase of 10%.

Gigantic Agricultural Production

While the gross agricultural revenue of the Dominion in 1925 reached the gigantic total of $1,700,000,000, its diversity is surprising and carries with it an assurance of security. Following are its main items, in order of importance:

Field crops	$1,150,000,000
Dairy products	250,000,000
Farm animals	150,000,000
Poultry and eggs	70,000,000
Fruits and vegetables	52,000,000
Tobacco	7,000,000
Maple products	5,000,000
Honey	4,000,000
Wool	4,000,000
Clover and grass seed	3,500,000

Fur farming must have yielded a substantial revenue and is of growing importance. The hothouse industry is making healthy strides. The last Dominion census, that of 1921, shows a revenue for that year of over $4,000,000 from flowers, fruit and vegetables grown under glass.

Importance of the Seed-Growing Industry

The Annual Report of the Canadian Seed Growers' Association discloses the progress which is being made in the growing of pure seed in Canada. The value of seed exported this past year was $16,500,000. Clover seed and flax seed accounted for nearly ten million of this total; but wheat, oats, barley, corn, peas, beans, rye and Swede turnip seed are all gaining in favor; and demand for Canadian pure seeds comes not only from the United Kingdom and the United States, but from *Denmark, France, Germany, Netherlands and Argentina*, while enquiries have come for seed barley from Mexico, seed wheat from New Zealand and oats from the Swiss Co-operative Society of Zurich. The improvement in the seed grown is continuous. The work is comprehensively supervised by six Seed Boards which blanket the Dominion.

Two farmers a short distance from Toronto, customers of our Bank, each received this year over Three Thousand Dollars for their clover seed.

Five Million H.P. From Water Powers

I have in mind two things which inevitably mean expansion for Canada.

First, her water powers. Installations already operating and others nearing completion or under way will have a generating capacity of over five million horse-power. Canada leads the world in her generation of electric power per capita, and is the second country in the world in the total amount of power developed.

If one lets imagination have a free rein, we see through our water powers a picture of industrial activity, particularly in the central provinces, which opens a new chapter in Canadian history.

The Far East

Second, trade with the Orient. There was in 1925 a marked development in the volume and value of trade between this country and China and Japan. Our exports to Japan in 1925-26 increased 40% over the previous twelve months, and to China 87%. Ten years ago not a bushel of Canadian wheat went to these countries. In the past twelve months they took approximately 20,000,000 bushels.

The population of China is said to have increased 70,000,000 in the past twenty-five years. In fact, we have in the East prospective customers to the number of 600,000,000. The transformation going on in China is not well understood. She has cities electric-lighted, with complete telephone systems and efficient police protection. Her roads are being improved. The rickshaw and ox-wagon will one day give place to the motor car.

And what about Japan? Japan came into the modern world half a century ago and has made tremendous strides. In that time she has doubled her possessions, built up a powerful navy and has become the Great Britain of the East.

These are our customers at the opposite gateway of the Pacific, and as they adopt Western methods and acquire Western tastes, their trade with us will reach vast proportions.

Pacific to Rival Atlantic

The day was when the water-borne commerce of the world was on the Mediterranean. The development of the United States made the Atlantic the great water highway, and China and Japan will make the Pacific the rival of the Atlantic and Vancouver Canada's outstanding seaport.

Current Events in Banking World

CANADA WITHOUT N.S.F. LAW THOUGH FREQUENT IN U.S.

How Many Million Cheques Come Back, No Idle Question

"Every day we return on an average ten cheques marked N.S.F." Perhaps the experience of this bank manager is exceptional because his business is drawn to a large extent from a foreign community where "accommodation loans" and "kiting" are very often indulged in. But there are nearly 3,800 branch banks in Canada and assuming that they are open for business about 300 days each year, an average of ten N.S.F. cheques per day would amount to over 11,000,000 in the course of a year. Even if only one cheque of this sort were passed each day, the number would be well over a million in a year.

Not only is this a very troublesome practice but it become exceedingly expensive when the sums indulged in are large amounts. The average city cheque takes probably about six days to go through the regular channels. During this time the drawer has had the use of the bank's money for nothing. Supposing the amount of the cheque is $300, then the interest on this "loan" is 30 cents for the six-day period. Even a charge of 15 cents, which is often made by Canadian banks is very small when there is added the cost of actually putting the cheque through the books.

Remedy Not Yet Found

From time to time various remedies have been suggested for this nuisance but as yet nothing very definite has been done in Canada, either along the line of educating the public or by way of legislative enactments. Canada has hesitated to pass any legislation against the passing of N.S.F. cheques, over and above that which is already on the statutes, because of the difficulty of framing a law which would not be unduly harsh on those who are careless but at heart innocent. The present law only applies to goods which are acquired under false pretences, and although this is a criminal offence, there is no provision for any other penalty.

In the United States a definite attempt has been made to stamp out this nuisance and practically every state has passed some form of "bad cheque law." While the statutes differ in details, they are essentially the same in principle. Under them, a maker who issues, and the holder (whether he be maker or not) who negotiates a cheque knowing that there are insufficient funds behind it, is guilty of a crime. So far this parallels the Canadian statute but there as an essential difference in that in the United States the fact that the payment of the cheque was refused for lack of funds, establishes a "*prima facie*" case of intent to fraud, defraud, and of knowledge of insufficient funds in the bank. Then again the matter is not considered to be a criminal offence in the States as it is in Canada. In 21 states of the Union the crime is described merely as a misdemeanor, in four states the crime is larceny, and in six more no crime is committed but the statute against N.S.F. cheques is merely an extension of the false pretence law. In many of the states the person who makes or delivers the bad cheque, is given a specified time in the statute within which to make good after receiving notice.

But Situation Still Indefinite

In spite of all the legal machinery which has been brought to bear on this matter in the States, the situation still remains very indefinite and the general opinion, expressed by those who have studied the matter seems to be that the cure for the nuisance does not lie in legislation, but rather in education and with the local bank managers themselves. "As a matter of fact," says one American authority, "most cases where a bad cheque is received are handled by notifying the maker of the cheque and demanding that the cheque be made good within the number of days specified in the statute, or if none are specified, within five days. Such notice is required in most states, and where required should be served personally upon the maker of the cheque. Because of the uncertainty as to the application of the statutes to post-dated cheques, or cheques given in payment of existing indebtedness, to make an arrest without an indictment by a Grand Jury, is to court a dismissal of the prosecution and an action for false imprisonment or malicious prosecution."

Canada has so far attempted to solve this question without recourse to legislation. From time to time there have been insistent demands that the government revise the statutes, but nothing has developed. The experience of the United States should prove valuable to Canada.

Here is a subject of interest to you and your branch. What has been your experience with N.S.F. cheques and what remedy would you suggest? This page will pay for your views. All contributions, unless writer asks that his name be used, will be published anonymously.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES	November 26, 1925	November, 25, 1926
Halifax	$ 3,118,519	$ 2,835,763
St. John	2,363,125	2,432,204
Moncton	789,584	889,331
Sherbrooke	770,796	822,278
Quebec	5,748,758	6,450,541
Montreal	106,944,591	117,812,114
Ottawa	5,858,429	6,855,100
Kingston	683,454	777,414
Peterborough	712,406	802,664
Toronto	98,366,234	109,347,384
Hamilton	5,288,113	....
Brantford	878,748	1,094,875
London	2,644,948	3,142,140
Chatham	....	727,538

WESTERN CITIES	November 26, 1925	November, 25, 1926
Fort William	972,231	905,413
Winnipeg	87,843,616	76,530,905
Brandon	640,290	747,509
Regina	7,804,641	6,258,545
Moose Jaw	1,396,667	1,695,714
Prince Albert	472,769	436,144
Lethbridge	653,855	....
Edmonton	4,579,078	5,240,107
Calgary	9,963,700	9,491,800
Medicine Hat	377,847	354,373
New Westminster	698,431	711,307
Vancouver	17,977,910	18,189,800
Victoria	1,721,384	1,806,925

Staff Gossip

L. G. Irons, of Fergus, has been appointed manager of the St. Thomas East End branch of the Royal Bank of Canada, to succeed W. H. Hetherington.—Times-Journal, St. Thomas.

* * *

M. H. M. Lister, who was manager of the Calgary branch of the former Molsons bank, has been appointed assistant manager of the Calgary branch of the Bank of Montreal.

Mr. Lister entered the service of the Molsons bank in 1900 at Simcoe, Ont., and after serving at different points in Eastern Canada, came west in 1909. He has been manager for Molsons bank at Revelstoke, B.C., Camrose and Edmonton, and in January, 1923, succeeded the late Frank Macbeth as manager of the Calgary branch of that institution. — Albertan, Calgary.

Monthly Bank Clearings

(In comparison with same month last year).

EASTERN CITIES	Nov, 1925	Nov, 1926
Halifax	$13,009,654	$13,172,295
St. John	11,014,311	11,233,909
Moncton	3,669,643	4,039,472
Sherbrooke	3,473,137	3,900,444
Quebec	26,814,554	33,231,777
Montreal	510,356,034	546,639,645
Ottawa	29,955,037	32,541,108
Kingston	3,273,125	3,402,527
Peterborough	3,270,835	3,949,096
Toronto	469,796,651	456,695,799
Hamilton	21,925,018	24,538,588
Brantford	4,101,126	4,838,902
London	11,854,010	12,852,749
Kitchener	4,213,593	4,677,980
Windsor	16,278,628	18,461,369
Total, East	1,133,005,358	1,175,175,660
Chatham	....	3,000,049
Sarnia	....	2,928,333

WESTERN CITIES	Nov, 1925	Nov, 1926
Fort William	4,240,737	5,797,433
Winnipeg	327,294,118	332,562,637
Brandon	3,060,550	3,480,299
Regina	31,625,071	30,008,494
Moose Jaw	6,546,574	7,360,151
Prince Albert	1,912,263	2,036,148
Edmonton	19,852,574	23,087,052
Calgary	38,707,902	45,618,724
Medicine Hat	1,877,231	1,765,007
N. Westminster	2,921,639	3,095,585
Victoria	8,236,608	8,844,029
Vancouver	73,421,978	79,090,694
Saskatoon	11,636,048	11,473,920
Lethbridge	2,488,792	3,481,452
Total, West	533,822,085	557,701,625

QUOTE DARBY REPORT AGAINST BRANCH

American Farmers Want Canadian System and Canadian Farmers Want American System

The recent report of A. E. Darby for the Canadian Council of Agriculture, advocating a system of small local banks for Canada, has attracted more attention in the United States than it has in Canada. Propagandists for the continuation of the present anti-branch banking system in the United States have seized upon it as authoritative evidence that the Canadian branch banking system has failed to meet the farmers' problems.

The American Banker reproduces The Financial Post's summary of the report and hints that it should prove enlightening to the advocates of branch banking in the United States. Editorially, the American Banker continues with this statement "That Canadian agriculture is restless under a branch banking system seems a fact without question. The farmer of Canada has found in the giant banks with their extensive branches no such help mate as his American cousin has had in the small independent banks. . . . Could there be a greater blow to the advocates of branch banking than the Darby report?"

If an unbiassed observer were to view the whole situation he might find some amusement in the fact that American farm leaders are asking for adoption of the Canadian banking system to solve their problems, while Canadian farmers are asking for the American banking system to solve theirs. The situation may prove that after all the two systems in the two countries are not the fundamental cause of agricultural problems and that farm relief as the headline writers across the line phrase it, is not to be won through upsetting banking systems that have grown up with the countries.

Canadian banking opinion is that the Darby report is interesting but futile. Its recommendation for a national bank of discount provides for a different method of handling what is now being done well enough, and the proposal for small banks would introduce a speculative feature into banking which is the worst feature of the American system.

IMPERIAL BANK.

The Imperial Bank announces the following staff changes: R. E. Tracey, formerly acting manager, Pine Ridge, Ont., has been appointed manager, Matheson, Ont.; E. H. Coleman, acting manager, Vineland, has now received the appointment of manager at that point.

The following western managers attended the annual meeting at Toronto:

G. R. F. Kirkpatrick, Edmonton; J. M. Lay, Vancouver; A. D. Duncan, Winnipeg; J. H. D. Benson, Nelson; C. C. Case, Daysland; S. N. Davidson, Prince Albert; N. B. Cummins, Hepburn; J. A. Hodder, Sioux Lookout; W. M. Porter, North End, Winnipeg.

This is Your Forum Give Us Your Views

The field men in Canadian banking; the managers, and junior officers in the branches from coast to coast are the men for whom this page is chiefly edited. It will be edited best when they contribute most to it.

Articles on subjects of interest to bank men are constantly welcomed and will be paid for at our ordinary space rates. But the remuneration is not the thing. The opportunity of discussing your opportunities and problems with your fellow bank men is more important.

Dominion Note Circulation and Gold Holdings

Circulation and Specie—Oct. 31st, 1926.	
Provincial	$ 27,623.53
Fractional	1,312,334.19
$1.00	18,344,436.50
$2.00	13,510,742.50
$4.00	33,215.00
$5.00	1,040,937.50
$50.00	650.00
$500.00	2,024,000.00
$1,000.00	4,255,000.00
Legal Tender Notes for Banks	
$1,000.00	751,000.00
$5,000.00	16,590,000.00
$50,000.00	135,450,000.00
	$193,339,939.22
Gold held 31st Oct., 1926, by the Minister of Finance	$119,230,415.51
Gold held against Savings Banks Deposits—(10 p.c. on $31,270,527.62. Under The Savings Bank Act)	$3,127,052.76
Gold held against Notes in circulation	$116,103,362.75
Dominion Notes outstanding against deposits of approved securities, under Finance Act, 1923	$ 24,800,000.00
Dominion Notes outstanding under authority of Dom. Notes Act of 1915	$ 26,000,000.00

Canada Leads in Wheat Trade

The Federal Bureau of Statistics reports that for the 1925-26 season Canada led the world as an exporter of wheat and flour. Canada led in wheat exports by nearly 150,000,000 bushels, the Argentine coming second. In flour shipments the Dominion came first with 8,000,000 barrels, and the United States second with 7,430,000 barrels.

Who are the firms most alive?

"We use Long Distance often and consistently because in no other way can we keep ahead of competition," says a well-known merchant.

THE BELL TELEPHONE CO. OF CANADA

181

P. Lyall & Sons Construction Company, Limited

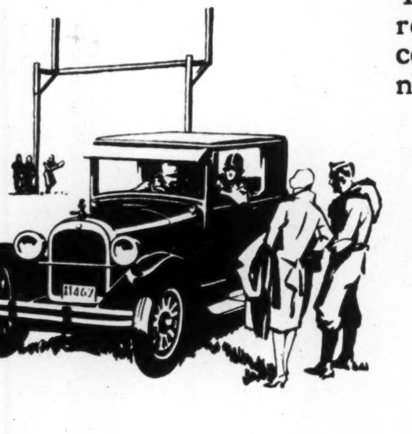
Toronto - Montreal - Ottawa

Here Are The Improvements

Review this impressive list of improvements — a notable twelve-months' record of progressive engineering:

A new five-bearing crankshaft (replacing the three-bearing type).
A new two-unit starting and lighting system (replacing the single-unit type).
Air cleaner of improved design.
Spark and throttle levers placed above the wheel for greater convenience.
Rumble seat for Sport Roadster.
Stylish new body lines.
Rich and attractive new colors.
Improved all-steel body construction.
Increased driving vision.
Indirect instrument board lighting for De Luxe and Sport types.
Far greater riding comfort.
Impressive new smoothness and silence of engine operation.

Greater beauty, greater convenience and remarkable new silence and smoothness of engine operation have followed these vital betterments.



Yet Dodge Brothers low prices remain unchanged — values certainly that no motorist can now afford to overlook!

Touring Car - - - - $1030
Coupe - - - - - 1095
Sedan - - - - - 1210
Special Sedan - - - 1275

f. o. b. Toronto, taxes to be added

DODGE BROTHERS (CANADA) LIMITED
TORONTO, ONTARIO

DODGE BROTHERS MOTOR CARS
MADE IN CANADA

BANK OF MONTREAL

Annual Statement

Statement of the result of the business of the Bank for the year ended 30th October, 1926

Balance of Profit and Loss Account, 31st October, 1925		$ 596,788.31
Profits for the year ended 30th October, 1926, after deducting charges of management, and making full provision for all bad and doubtful debts		4,978,133.38
		$5,574,921.69
Quarterly Dividend 3 per cent. paid 1st March, 1926	$ 897,501.00	
Quarterly Dividend 3 per cent. paid 1st June, 1926	897,501.00	
Quarterly Dividend 3 per cent. paid 1st Sept. 1926	897,501.00	
Quarterly Dividend 3 per cent. payable 1st Dec. 1926	897,501.00	
Bonus 2 per cent. payable 1st Dec. 1926	598,334.00	
	$4,188,338.00	
Provision for Taxes Dominion Government	319,167.00	
Reservation for Bank Premises	300,000.00	
		4,807,505.00
Balance of Profit and Loss carried forward		$ 767,416.69

VINCENT MEREDITH, President. FREDERICK WILLIAMS-TAYLOR, General Manager.

GENERAL STATEMENT

30th October, 1926

LIABILITIES

Capital Stock		$29,916,700.00
Rest	$ 29,916,700.00	
Balance of Profits carried forward	767,416.69	
	$ 30,684,116.69	
Unclaimed Dividends	10,718.29	
Quarterly Dividend, payable 1st Dec., 1926	897,501.00	
Bonus of 2% payable 1st Dec., 1926	598,334.00	
		32,190,669.98
		$ 62,107,369.98
Notes of the Bank in circulation	$ 47,175,989.50	
Deposits not bearing interest	132,034,727.43	
Deposits bearing interest, including interest accrued to date of statement	515,925,640.50	
Deposits made by and Balances due to other Banks in Canada	2,346,485.14	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	5,952,614.58	
Bills Payable	1,181,900.54	
		704,617,357.69
Letters of Credit outstanding		13,952,190.87
Liabilities not included in the foregoing		848,226.66
		$781,525 145.20

ASSETS

Gold and Subsidiary coin current		$ 32,527,124.64	
Dominion notes		50,884,509.75	
Deposit in the Central Gold Reserves		17,000,000.00	
Deposits made with and Balances due from other Banks in Canada	$ 93,749.77		
Balances due by Banks and Banking Correspondents elsewhere than in Canada	19,765,561.50		
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	15,486,054.38		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	145,325,247.99		
		180,670,613.64	
Dominion and Provincial Government Securities not exceeding market value		79,157,614.28	
Railway and other Bonds, Debentures and Stocks not exceeding market value		4,463,251.16	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian not exceeding market value		29,230,754.26	
Notes of other Banks		3,822,424.00	
United States and other foreign currencies		825,684.07	
Cheques on other Banks		26,337,108.47	
			$424,919,084.27
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		$252,338,858.61	
Loans to Cities, Towns, Municipalities and School Districts		17,074,131.09	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		53,442,276.77	
Non-current Loans, estimated loss provided for		2,494,423.78	
			325,349,690.25
Bank Premises at not more than cost (less amounts written off)			11,800,000.00
Real Estate other than Bank Premises			917,533.16
Mortgages on Real Estate sold by the Bank			1,209,615.65
Liabilities of Customers under Letters of Credit (as per Contra)			13,952,190.87
Deposit with the Minister for the purposes of the Circulation Fund			1,420,787.67
Shares of and loans to controlled companies			1,415,727.25
Other Assets not included in the foregoing			540,516.08
			$781,525,145.20

NOTE:—The business of the Bank in Paris, France and in San Francisco, U.S.A. is carried on under the name of local incorporated companies, and the figures are incoporated in the above General Statement.

NOTE:—Bonds of the Merchants Realty Corporation to the extent of $2,783,000.00 secured on premises leased to the Bank, are in the hands of the public. These bonds do not appear in the above Statement as the Bank is not directly liable therefor.

VINCENT MEREDITH, President. FREDERICK WILLIAMS-TAYLOR, General Manager.

TO THE SHAREHOLDERS OF THE BANK OF MONTREAL.

We have compared the above Statement with the Books and Accounts of the Bank of Montreal at the Head Office, and with the certified Branch Returns. We have checked the cash and verified the investments and securities at the Head Office, and at several of the principal Branches of the Bank at the end of the financial year. We have likewise, at various dates throughout the year, checked the cash and verified the securities at several important Branches.

We have to report that: (a) we have obtained all the information and explanations we have required; (b) in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank, and (c) in our opinion, the above statement discloses the true condition of the Bank and it is as shown by the Books of the Bank.

MONTREAL, 23rd November 1926.

JAMES HUTCHISON, C.A., of the firm of Riddell, Stead, Graham & Hutchison
GEORGE C. McDONALD, C.A., of the firm of McDonald, Currie & Co.
} Auditors

Scott Nearing Completes Tour; Sees Empire Doomed; Finds Reporters Gullible

Radical Professor, Once Guest of University of Toronto as Student-Christian Lecturer, May Have Over-reached Propaganda in Picturing Russian Conditions

Scott Nearing, American professorial Bolshevist, has completed his Canadian tour. Nearing was anti-Ally in speech and sentiment before April 6, 1917, unpatriotic in utterance, following the entrance of his country into the war on the Allied side, teacher who at last was relieved of his duty of instructing the youth at the University of Pennsylvania and whom even the University of Toledo could not stomach. He later lectured at Hart House, University of Toronto and now acts as a leader of the Student Christian Movement.

This Canadian tour, beginning in Toronto late in September, where he was a speaker in Hygeia hall to an audience of curiosity seekers and myopic communists who paid 25 cents each to be enlightened, has been concluded in Victoria, B.C. He told what was wrong with capitalism, condemned British labor leaders for calling off the general strike of last May, declared that the British empire was doomed and pictured Russia as a Utopia toward which all the world is heading.

Papers Give Him Space

Professor Nearing either employed a good advance agent for his Canadian tour or was well-served by the Student Christians and the newspapers of the West. Some of the reports of his meetings bear all the earmarks of having been written by the rebel who is invariably to be found on any daily paper staff—a rebel who for once and for some strange reason was told to do Scott Nearing's stuff—or the newspapers there tamely accepted as a fair report, propaganda of an enemy of civilization, a theoretical wrecker of home and family life, a destroyer of faith in British freedom, and an active and insidious advocate of revolution and political breakdown of Canada and Britain.

Captured cheques showed that he was in the pay of Germany during the war. Who is paying him to-day? A writer in the Toronto Star recently pointed out that propaganda to create discontent in our schools, churches and elsewhere is being spread at foreign expense throughout Canada. The youth movement, the chief among these, showed its head from Toronto University in the campaign just closed.

Fortunately, it requires no astute mind to discern the fallacies of his arguments, despite the evident impression his oratorical ability made on the sophomoric minds of Western reporters. It can be hoped that, if he is the heart and soul of the so-called Student Christian movement, his tour will have earned him nothing for the cause of social revolution, although the 25-cent admission fees may have met his expenses and left him something over for the purchase of necessities produced under the capitalistic system which enables the worker also to live.

That Fourth Lecture

Preachments against the capitalistic system need not be dealt with at length. Like the Reds from Moscow, Nearing deems the British labor leaders traitors for having called off the general strike in the interests of humanity and patriotism—humanity coming first. Like many other communists who jumble statistics and history and thus reach conclusions, he sees the end of the capitalistic system because economic conditions change, and like one or two gloomy Britons who fail to realize that problems of empire and of trade can be solved he predicts a crumbling of the empire.

The foregoing paragraph concerns three of his four lectures. If he had omitted the fourth lecture on his tour, he might have left in impressionable young minds — assuming that many other than gleaming-eyed, bitter-minded radicals heard him—the belief that there was nothing else to do than to go out and blow up the bank and burn the Union Jack.

But Professor Nearing delivered a fourth lecture. In this he told what is the Russian worker's condition under a regime which has destroyed capital and elevated the proletariat to a dictatorship. According to a report of this lecture in the Edmonton Bulletin, he makes no mention of the fact that, somehow, the proletariat are not permitted to be in any great degree dictatorial and that the rulers of the country are one or two or a dozen men. Yet his picture of conditions is sufficiently like reports from more convincing sources, that his words, stripped of their bland assumption that these conditions are desirable, even ideal, may turn the young convert or the wavering away from revolutionary ideas even for drawing-room discussion.

Teacher Does Not Govern

Here is one corner of the picture:

Speaking of the new educational system, Dr. Nearing stated that students, as well as teachers and management, help to govern the schools, even helping to decide the curriculum. In other countries, Dr. Nearing said, the object of the grown-up is to bring up the children "care-free and happy or, in other words, ignorant." But in Russia the children are given as much responsibility as they can carry, with the result that they are turned out responsible and self-confident men and women.

In other words, if the class does not wish to learn the multiplication table, the teacher's desire in that regard is over-ruled. However, it will suffice for the future good fortune of Russia if the Russian child simply learns to put two and two together. Canadians, it is believed, have learned that, in which case it is hardly necessary to quote further:

The theatre, Dr. Nearing said, was no longer employed in Russia for the amusement of tired business men, but had become an educational factor in the life of the people. The theatre audiences are composed mostly of working people, who must be in their seats before the play commences, or they will not be allowed to enter until after the end of the first act. They did not attend the play for the purpose of passing an idle hour chatting with friends, but to learn whatever lesson the playwright had to offer.

Thus, the theatre now is a place of communist propaganda. If Professor Nearing is deemed important enough, the Bolshevist so-called educational authorities probably are telling Bolshevist audiences how he has been sowing the seed of revolution in Canada. If the professor is a curtain-raiser the late-comers never will learn of his efforts.

Motherhood in Russia

Young Canadians who recall their early childhood, young Canadians who know mothers are not normally breadwinners and factory workers under the capitalistic system will not be deceived into thinking that Russia is a Utopia. The following gives a hint of industrial conditions far worse than public opinion ever tolerates in less "advanced" countries:

Dr. Nearing described the creches or nurseries which have been instituted in connection with some of the factories, where the children of the workers may be taught kindergarten subjects, fed and cared for by expert teachers, nurses, doctors and dietitians, for a sum of about one dollar a month per child.

Women have perfectly equal rights with men, politically and industrially, Dr. Nearing declared, and the women workers are carefully looked after. A mother is not allowed to work for two months before the birth of her child or for two months after, but the state health department watches her welfare and that of her child until she is able to resume her occupation.

It is a remarkable tribute to the press agent and human gullibility that audiences, even small radical audiences, acclaim a man who pictures conditions such as these as desirable to be transplanted to other countries to replace capitalism. If there is an improvement over the capitalistic system, Russian communism is not that improvement, and the British Empire need not disintegrate to make the world better.

NO DIVIDEND FOR BASEBALL CLUB SHAREHOLDERS

Little World's Series Disappoints and Building Costs High

According to information given to The Financial Post this week, the earnings of the Toronto Baseball Co. for the current year will not be sufficient to warrant any distribution to shareholders.

It is learned that operating profits for the year were satisfactory, but that the increase in construction costs has eaten into the profits to a considerable extent. The actual cost of constructing the ball park is said to have been $75,000 above the original estimates. The "Little World's Series" was unsatisfactory from a financial standpoint, due to the fact that so few games were played. The play-off actually cost the company about $5,000. Attendance for the year was about 250,000, which equals the preseason estimates and compares favorably with an attendance in 1925 of 120,000 people. The directors of the company met last week but found it necessary to adjourn until the middle of December. The reason given is that in the statement submitted by the auditors, operating profits had been set-off against construction costs in a manner which was unsatisfactory to the directors. The annual meeting will be held some time in January.

Asbestos Corporation Earnings Increasing

MONTREAL.—With the general rise in the stock market the preferred shares of the Asbestos Corporation have broken into new high ground. At the present time, the company is making large shipments to Europe and it is said that the past month has created new records.

While the Asbestos Corporation management has always been conservative and will in all probability write off substantial amounts for depreciation and depletion at the close of the present year, yet, one usually well informed source indicates that earnings available for the common shares will be over $300,000—a figure somewhat in excess of general expectations.

The fur branch of the Manitoba Industrial Development Board is devoting its attention to muskrat farming in Manitoba. The question of a land survey, food supply and provincial government co-operation are being discussed with the Deputy Minister of Agriculture.

NATIONAL GROCERS COMPANY LIMITED
TORONTO
DIVIDEND No. 5

Notice is hereby given that a dividend of two per cent., being at the rate of Eight per cent. per annum, upon the First Preference Stock of this Company, has been declared payable January 1st, 1927, for the quarter ending December 31st, 1926, to shareholders of record at the close of business December 15th, 1926.

Transfer books will be closed from December 16th to December 31st, 1926, both days inclusive.

By order of the Board of Directors.
A. C. PYKE,
Secretary-Treasurer.

FOREIGN EXCHANGES

Funds Weaken as Boats Tie Up

Conducted by S. J. ZACKS.

The market showed an easier tendency during the week with activity rather slight. Canadian funds weakened with the approach of the close of the navigation season. French francs, Italian lire, Brazilian milreis and sterling declined somewhat. Norwegian kronen, on the other hand, advanced sharply, approaching par. The move was accompanied by reports that the government would end disruption in business circles incidental to a fluctuatory exchange by the return to par.

The recent purchase of £170,000,000 sterling in London, when the price dropped to 89s. 10d. per fine ounce, causing the first shipment of gold from London to New York in some time, has caused considerable comment. Had there been no fast steamer available no gold would have left London. Sterling on the day of shipment sold at $4.84⅞. Normally the gold shipping point is about $4.84⅜, with the selling price of gold at 84s. 11½d. There has been an easier lending of late in sterling in spite of the characteristic year end advance in sterling. It is felt that sterling recovery after the turn of the year will be slower than last year's, owing to the unfavorable trade balance. A factor making for strength in sterling, however, is the strong gold position of the Bank of England, which exceeds the amount held at the same time last year by over £6,000,000, while the ratio of reserve to liabilities is 8¼, 1/6 higher.

Japanese yen moved steadily forward as plans which will bring Japan back to the gold standard are prepared. A $2,000,000 shipment of gold arrived in New York from Japan in preparation for the return to gold standard. This is part of the programme which the Japanese government has been developing. It is now thought that the Japanese government will not require foreign credits to aid it in the return to gold. A vigorous policy of drastic economy and industrial development has been enforced at home. The Japanese government holds about $40,000,000 of gold at home and $100,000,000 abroad, while the Bank of Japan has at home a little less than 1,100,000,000 yen in gold against a note issue of 1,300,000,000,000 yen.

A banking system, too, has been evolved for Japan, patterned after the American federal system which will be put into operation shortly.

Japan's return to parity has been slow and steady so as to avoid serious maladjustments of industry.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Nov. 25	11-64	3-16	11-64	11-64
Nov. 26	5-32	11-64	5-32	11-64
Nov. 27	1-8	5-32	1-8	5-32
Nov. 29	9-64	5-32	1-8	1-8
Nov. 30	3-32	9-64	1-16	1-8
Dec. 1	1-16	7-64	1-64	1-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Nov. 25	......	......	......
Nov. 26	4.84⅝	3.61¼	4.23¾
Nov. 27	4.84⅝	3.63½	4.27¾
Nov. 29	4.84⅝	3.70	4.27¾
Nov. 30	4.84⅝	3.62	4.23¼
Dec. 1	4.84⅝	3.73¾	4.27¾

FOREIGN EXCHANGE

Par		Nov. 24	Dec. 1
19.30	Italian	4.20¼	4.27¾
3245	Brazil	12.31	12.37
23.82	German	23.78	23.78
19.30	Belgium	2.78	2.78
84.85	Japan	49.08	49.10

The British American Oil Company, Limited

Notice to Shareholders

TAKE NOTICE that a Special General Meeting of the Shareholders of the Company will be held at the Head Office of the Company in the Royal Bank Building, 6 King Street E., in the City of Toronto, on Wednesday, the 15th day of December, 1926, at the hour of three o'clock in the afternoon, for the purpose of considering, and if thought fit, approving, sanctioning and confirming By-law No. 31, enacted by the Directors, converting the existing shares of the Capital Stock of the Company of the par value of $25.00 each, both unissued and issued and outstanding, into shares without any nominal or par value on the basis of four such shares without nominal or par value for each of the said shares of the par value of $25.00 each; whether unissued or issued and outstanding and providing for the sale of unissued shares at prices fixed from time to time by the Board of Directors. No business other than the consideration of the said By-law will be transacted at this meeting.

Share Warrant holders are advised that in order to vote or give proxies to vote at such meeting, each share warrant holder must deposit his share warrants with the Union Trust Company, 105 Victoria Street, Toronto, at least three days before the date of the meeting, together with a statement in writing of his name and address.

Share warrant holders are urged to deposit their share warrants, and if unable to attend the meeting in person, to execute proxies, forms of which may be obtained at the time of deposit of share warrants.

DATED at Toronto, this 29th day of November, 1926.

A. L. ELLSWORTH,
Secretary.

DIVIDEND NOTICE

The British American Oil Company, Limited

Notice is hereby given that a dividend of Sixty-two and One-half Cents (.62½c) per share, plus a bonus of Fifty Cents (.50c) per share, making a total of One Dollar and Twelve and One-half Cents ($1.12½c) has been declared for the fourth quarter of 1926 on the paid-up Capital Stock of the Company. The above dividend is payable January 2nd, 1927, to Shareholders of record at the close of business on the 14th day of December, 1926. Transfer Books will be closed from the 15th to the 31st of December, both days inclusive.

Share Warrant Holders will present coupons, Serial No. 20, to The Royal Bank of Canada, 68 William Street, New York City, or to The Royal Bank of Canada, Toronto, Ontario, on or after January 2nd.

By order of the Board,
A. L. ELLSWORTH,
Secretary.
Toronto, November 29th, 1926.

THE ONTARIO LOAN AND DEBENTURE CO.

158th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 2¾ PER CENT. for the current quarter ending 31st December, 1926 (being at the rate of 11 per cent. per annum), has been declared on the paid up capital stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 3rd January next to Shareholders of record of the 15th December, 1926.

By Order of the Board,
T. H. MAIN, Manager.
London, Canada, 30th November, 1926.

DIVIDEND NOTICE

CANADIAN GENERAL ELECTRIC COMPANY, LIMITED

PREFERENCE DIVIDEND No. 67

Notice is hereby given that a Dividend of one and three-quarters per cent. for the quarter ending the 31st day of December, 1926, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividend is payable on and after the first day of January, 1927, to Shareholders of record at the close of business on the 15th day of December, 1926.

By Order of the Board.
W. H. NESBITT,
Secretary.
Toronto 2, November 30, 1926.

QUEBEC POWER COMPANY

TO: The Holders of the Preferred Stock of

QUEBEC POWER COMPANY

NOTICE is hereby given that all Preferred Stock of QUEBEC POWER COMPANY issued and outstanding under the provisions of By-laws Nos. 5, 9 and 11 of the Company has been called for redemption on the 3rd of January, 1927, at One Hundred and Ten Dollars ($110.) per Share, plus any dividends accrued and payable thereon to the said date. All holders are required on and after that date to surrender their certificates duly endorsed for transfer in blank, to the Company's Transfer Agent, National Trust Company, Limited, at its office in the City of Montreal, or to The Canadian Bank of Commerce, in the City of Quebec. Prior to the date fixed for redemption a deposit will be made with the Canadian Bank of Commerce in Quebec of a sum sufficient to redeem all such Preferred Stock on the terms above stated. Dividends on all Preferred Shares will cease to accrue after December 31st, 1926 and, save for the right of conversion hereinafter expressed, the holders of Preferred Shares will, after the date fixed for redemption, have no rights in or against the Company, other than the right to receive the redemption price for such Stock.

Notice is further given that under By-law No. 12 passed by the Directors, approved by the Shareholders and sanctioned by His Honour the Lieutenant-Governor of the Province of Quebec, all holders of Preferred Stock hereby called for redemption are given the option either to accept such redemption price or to surrender their certificates on any date on and after the 3rd of January, 1927, and up to and including the 1st of February, 1927, at either of the offices above mentioned, and upon such surrender to have the same converted into an equal number of Common Shares of the Company of the par value of One Hundred ($100) each.

Cheques covering the dividend on Preferred Shares for the quarter ending 31st December, 1926, will be mailed to Shareholders of record of the 15th of December in the usual manner. All Common Shares issued on the exercise of the conversion privilege above referred to will rank for any dividend declared thereon for the quarter ending March 31st, 1927.

By order of the Board,
JAS. WILSON,
Secretary.
Montreal, November 27, 1926.

THE BELL TELEPHONE COMPANY OF CANADA

Notice of Dividend

A dividend of two per cent. (2%) has been declared payable on the 15th January, 1927, to shareholders of record at the close of business on the 23rd December, 1926.

W. H. BLACK,
Secretary-Treasurer.
Montreal, 24th November, 1926.

THE SHERWIN - WILLIAMS COMPANY, of CANADA LTD.

Notice is hereby given that the sixty-second quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for quarter ending November 30th, 1926, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1926, and that cheques will be mailed December 31st, 1926. Books not closed.

By order of the Board.
D. A. WHITTAKER,
Secretary-Treasurer.
Montreal, November 26th, 1926.

THE SHERWIN - WILLIAMS COMPANY, of CANADA LTD.

Notice is hereby given that the twenty-fifth quarterly dividend of one and a half per cent. (1½%) for quarter ending November 30th, 1926, on the Common Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1926, and that cheques will be mailed December 31st, 1926. Books not closed.

By order of the Board.
D. A. WHITTAKER,
Secretary-Treasurer.
Montreal, November 26th, 1926.

ALCOHOL MERGER AWAITS BUT FINAL FORMAL DETAILS

(Continued from page 1)

ory record from an investment viewpoint.

The company is engaged in the manufacture of alcohol for industrial purposes and various spirituous liquors. Many of its brands enjoy a wide reputation abroad as well as in the domestic market.

It is understood that the company is to place a new motor fuel on the market next spring. While at first this new fuel will naturally sell somewhat higher than the better grades of gasoline, yet the improved results which have been obtained through the use of the fuel indicate that there is a substantial market amongst automotive vehicle owners. The new fuel will, in a sense, be a by-product of the company's present alcohol production and, as consumption increases, it would naturally be possible to lower prices.

For Sale

Burroughs Ledger Posting-Machine in excellent condition, purchased in 1921.

Box 310, Financial Post, Toronto, Ont.

TENDERS WANTED

for Debentures

Tenders will be received up till 12 o'clock noon on Tuesday, December 14th, 1926, for the purchase of $11,000 5½% debentures, divided into 20 annual installments, principal and interest. These debentures to pay for waterworks in the Village of Chippawa. The lowest or any tender not necessarily accepted. Address tenders to J. G. H. Youngs, Clerk, or to Edward Weightman, Reeve, of Chippawa, Ontario.

DOMINION TEXTILE COMPANY, LIMITED

Notice of Dividend

A Dividend of One Dollar and Twenty-five Cents ($1.25) per share on the Common Stock of Dominion Textile Company, Limited, has been declared for the quarter ending December 31st, 1926, payable 3rd January, 1927, to shareholders of record December 15th, 1926.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, November 25th, 1926.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1926, and, in addition, a Bonus of one per cent. making a total distribution of thirteen per cent. for the current year—the Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Monday, the 3rd day of January, 1927, to Shareholders of record of 20th December, 1926.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 26th January, 1927, at twelve o'clock noon.

By Order of the Board,
C. A. BOGERT,
General Manager.
Toronto, 25th November, 1926.

MUTUAL FINANCE CORPORATION LIMITED

Dividend Notice

Notice is hereby given that dividends have been declared as follows:

Preferred Dividend No. 21

A dividend of 4% for the six months ending December 31st, being at the rate of 8% per annum, payable on January 15th, 1927, to shareholders of record at the close of business on December 20th, 1926.

Common Dividend No. 6

A dividend at the rate of 5% per annum for the year ending December 31st, 1926, payable on January 15th, 1927, to shareholders of record at the close of business on December 20th, 1926.

By order of the Board.
C. W. McDIARMID,
General Manager.
Windsor, December 1st, 1926.

ST. MAURICE VALLEY CORPORATION

DIVIDEND NOTICE

Notice is hereby given that a dividend of 1¾% for the three months ending December 31st, 1926, being at the rate of 7% per annum on the paid up Preferred Stock of this Corporation, has been declared and that same will be paid on the third day of January, 1927, to shareholders of record at the close of business December 15th, 1926.

By Order of the Board,
A. DEHAUFFE,
Secretary and Treasurer.
Montreal, November 17, 1926.

MONTREAL TRAMWAYS COMPANY

Dividend Notice

Notice is hereby given that a dividend of Two Dollars and Fifty Cents ($2.50) per Share for the quarter ending December 31st, 1926, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Friday, January 7th, 1927, at 4 o'clock p.m., payable on Saturday, the 15th day of January, 1927.

By order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.
November 24th, 1926.

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 147 St. James Street, in the City of Montreal, on Thursday, the 13th day of January, 1927, at 11 o'clock, a.m.

C. E. NEILL,
General Manager.
Montreal, December 1, 1926.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors, and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,
S. H. LOGAN,
General Manager.
Toronto, November 26th, 1926.

Canadian Car & Foundry Company, Limited, Montreal

Dividend Notice

Notice is hereby given that a dividend of one and three quarters per cent. (1¾%) on the paid-up Preference Stock of the Company for the quarter ending December 31st, 1926, has been declared, payable on the 10th day of January, 1927, to Shareholders of record on the 27th day of December, 1926.

By order of the Board.
A. C. BOURNE,
Secretary.
Montreal, November 25th, 1926.

PURE GOLD MANUFACTURING COMPANY LIMITED
Toronto, Canada

Notice is hereby given that a dividend of FIFTY CENTS A SHARE on the paid up Capital Stock of the Company has been declared PAYABLE WEDNESDAY, 15th DECEMBER, 1926, to Shareholders of record at the close of business on the 30th NOVEMBER, 1926.

By order of the Board.
J. C. JAMIESON,
Secretary.
Toronto, November 29th, 1926.

NOTICE

PORT ALFRED PULP & PAPER CORPORATION

Notice is hereby given that a Quarterly Dividend of 1¾% (being at the rate of 7% per annum) on the 7% Cumulative Preferred Stock of this Corporation, for the Quarter ending December 15th, 1926, will be payable to Shareholders of record December 8th, 1926.

By order of the Board.
A. WAGNER,
Secretary.

BELGO CANADIAN PAPER COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that the following dividends have been declared for the quarter ending 31st December, 1926:

Dividend No. 14 on the preferred stock: One and three-quarters per cent. (1¾%) payable on the 3rd day of January, 1927, to Shareholders of record of the 4th day of December, 1926.

Dividend No. 9 on the common stock: One and a half per cent. (1½%) payable on the tenth day of January, 1927, to Shareholders of record of the 31st day of December, 1926.

By Order of the Board,
A. DEHAUFFE,
Secretary-Treasurer.
Montreal, November 17, 1926.

TENDERS FOR DEBENTURES

The Town of Sturgeon Falls, Ont., hereby calls tenders for the following debenture issues:

By-Law No. 611—Sanitary Sewers, Local Improvements. $12,297.49. Term—30 years, 6%.

By-Law No. 618—Waterworks Extensions. $26,252.76. Term—20 years, 6%.

Legal opinion from E. G. Long, K.C., of Long & Daly, Toronto.

Tenders to be submitted to A. E. Blagdon, Town Clerk, on or before December 7th, 1926.

Dated at Sturgeon Falls, Ont., this 17th day of November, 1926.

THE WABASSO COTTON COMPANY, LIMITED

Dividend No. 36, and Bonus

Notice is hereby given that a Dividend of One Dollar per share on the Capital Stock of the Company, has been declared for the quarter ending 31st December, 1926, also a Bonus of Fifty Cents per share, payable on the 2nd day of January, 1927, to Shareholders of record as at the close of business on the 15th December, 1926.

By order of the Board.
JAS. R. RITCHIE,
Secretary-Treasurer.
Montreal, Que., November 11th, 1926.

Canadian Mining News

THE FINANCIAL POST

Vol. XX. PUBLICATION OFFICE: TORONTO, DECEMBER 3, 1926 No. 49

B.C. Mines Creating $6,226,000 New Wealth in 1926 is Estimated

How Wm. Sloan Places Total Output for Year at $67,718,400

TONNAGE IS UP

Production From Quantity Standpoint Shows Much Greater Effort Than Does Value

VICTORIA, B.C.—British Columbia in 1926 established a new high record mark in point of quantity production of minerals as well as in the value of minerals produced. Hon. William Sloan, Provincial Secretary and Minister of Mines, has just issued a summary of the mining activity in the present year, together with an estimate of the aggregate production for the twelve months ending December 31st next. The figures compiled by John D. Galloway, Provincial Mineralogist, indicate that the aggregate value of the mineral production for 1926 will be approximately $67,718,400 compared with $61,492,242, the aggregate value of the production in 1925, an increase of approximately eleven per cent. over the previous record production in 1925, and this in the face of lowered average metal prices as compared with 1925.

The table below gives a comparison between the production in 1926 and 1925.

Tonnage Much Higher

It will be noted that quantity increases were made in all the various products of the industry excepting coal. This shows a satisfactory condition with production steadily increasing regardless of fluctuations in the metal market. As would be expected, the tonnage of ore mined and treated shows a considerable increase; it is estimated that for the year 4,600,00 tons of ore will be produced as compared with 3,849,269 tons in 1925.

"Since 1921" went on Mr. Sloan, "which was a year of acute depression in the metal markets of the world, British Columbia has been making rapid strides forward in the output of metals and minerals as the figures show.

Year	Value of Output
1921	$28,066,641
1922	35,158,843
1923	41,304,320
1924	48,704,604
1925	61,492,242
1926 (estimated)	67,718,400

Mr. Sloan pointed out that while the ultimate progress of the mining industry is clearly indicated by production figures, other important factors are development and exploration.

The present year has again eclipsed all previous ones in the history of the province in the amount of development of mineral properties, while prospecting has been fairly active. The success which has attended mining in the province in recent years has directed attention to our vast potential mineral resources, with the result that undeveloped mineral areas are being carefully examined by the representatives of mining capital.

Has Produced a Billion

"Since mining commenced in B.C., in 1852 the total value of mineral production has been $989,000,000, over 50 per cent. of this total being produced in the last twelve years.

Decrease in metal prices has had a most important bearing on the value of production during the present year. Metal prices generally in the first ten months of 1926, have been, on the average, slightly lower than 1925:

	1925 Cents	1926 (Jan. to Oct.) Cents
Silver (New York) per oz.	69.065	64.02
Copper (New York) per lb.	14.042	13.87
Lead (London) per lb.	7.848	6.82
Zinc (London) per lb.	7.892	7.41

The increase in value of the estimated total mineral production of the province in 1926, as compared with 1925, is therefore not due to increased metal prices but to larger outputs of the metals, Hon. Mr. Sloan stated, and he pointed out that about the end of September a serious decline commenced in the market price of silver, and in a short time the price has declined to about fifty-one and one half cents an oz., compared with an average price in January of 67.79 cents an oz.

Silver Future Uncertain

The future of silver sems uncertain, with the possibility of the present low price level being maintained for some time. It is estimated that the average silver price for the full year 1926 will be somewhat below the figure given in the above table. The prices of copper, lead and zinc, while slightly below last year's averages, are high enough to yield satisfactory profits to the miners, and the market outlook for these metals is excellent. It would appear that the present prices, or higher, are likely to be maintained indefinitely.

Hon. Mr. Sloan estimates that 1926 production of both placer gold and lode-gold will show increases, the placer increase being accounted for by a greater production from the Cariboo district, where Kafue Company's dredge on Antler Creek, and Cedar Creek Company's property have both made increased outputs this year. Shortage of water for hydraulicking operations curtailed production from many properties in various parts of the province. The activity in testing of alluvial ground in the Atlin, Laird, Similkameen, Cariboo, and Quesnel divisions is likely to result in a greater yearly production of placer gold in the near future. Lode gold production is expected to show a small increase during 1926, accounted for by a larger output from Premier mine and increases in the output of gold from the low grade copper mines, all of which have increased production during the current year. The closing down of the Surf Inlet mine, during the year stopped an important source of gold, but increases from nearly all parts of the province have more than offset this loss.

Will Beat Ontario

An estimated production of 10,900,000 ozs. silver is a large increase over the 1925 output of 7,654,844 ozs., and constitutes a record for silver mining in the province. The Minister stated it was interesting to note that the silver production of British Columbia this year is expected to equal or be greater than that of the Province of Ontario, which for twenty years has been in the lead. All the silver producing districts of the province have contributed to the increase in the output, but probably the greatest percentage increase is from the Slocan District, where the mining of silver-lead-zinc ores has been intensively carried on.

The decline in the price of silver, the Minister of Mines stated, mav have some effect in possibly retarding future production in the Slocan district, where in many of the mines silver is the most important value in the ore. Approximately eighty per cent. of the silver production of the province comes from mines in which the silver value is of less importance than the other metals, such as gold, copper, lead and zinc contained therein. While the decreased revenue from a lowered silver price is to be regretted for these mines, no lowering of production in the future may be anticipated as a consequence. There are very few mines in British Columbia which are esesntially silver mines with no other values, so that it is not expected that the lowered price will adversely affect future production to any great extent.

Copper Much Higher

Copper production in 1926 estimated at 91,000,000 lbs. is a large increase over 1925, of 72,306,432 lbs., due in large part

(Continued on page 18)

Big Operators Send Scouts Into Manitoba

As a result of the report issued on Central Manitoba mines, followed by the announcement that the Timmins interests have taken up property in that camp, comes the news that Hollinger, Tonopah, McIntyre and Consolidated Smelters have have scouts in thhe Central Manitoba area, looking over the ground.

B. C. ESTIMATED MINERAL PRODUCTION, 1926

Description	—Production, 1925— Quantity	Value	—Estimated production, 1926— Quantity	Value	Increase
Gold, placer, oz.	....	$ 280,092	....	$ 350,000	$ 69,908
Gold, lode, oz.	209,729	4,335,269	220,000	4,547,400	212,131
Total Gold	....	4,615,361	....	4,897,400	282,039
Silver, oz.	7,654,844	5,286,818	10,900,000	6,758,000	1,471,182
Copper, lb.	72,306,432	10,153,269	91,000,000	13,650,000	3,496,731
Lead, lb.	237,899,199	18,670,329	260,000,000	17,680,000	x 990,329
Zinc, lb.	98,257,099	7,754,450	135,000,000	10,000,000	2,245,550
Total metalliferous	....	$46,480,227	....	$52,985,400	$ 6,505,173
Coal, (net), long tons	2,328,522	11,642,610	2,208,000	11,040,000	x 602,610
Coke, long tons	75,185	526,295	99,000	693,000	166,705
Miscellaneous		2,843,110	....	3,000,000	156,890
Totals	....	$61,492,242	....	$67,718,400	$ 6,226,158

xDecrease.

Prospecting Syndicate Forming

A syndicate which will have at its service two highly efficient, well-equipped and thoroughly experienced field men with many years of practical training, is now forming for immediate work in a field on which official reports are favorable and in which good looking discoveries have just been made. This syndicate will be composed of fifteen units of $1,000 each. We are inviting members to join. The direction of the syndicate will be in the hands of experienced men with the most intimate knowledge of mining and finance. Inquiries invited. Box 312, Financial Post, Toronto, Ont.

BIG MINE SHARES LOOK ATTRACTIVE FOR A LONG HOLD

Purchaser Stands to Get Small Yield But Large, Non-taxable Profit

"I have never invested in mining stock and am not familiar with different companies. I would like an investment to run 5 or 6 years at least. Would you advise buying mining stock at present levels? I thought of Noranda, Teck Hughes, McIntyre. What do you consider the most promising for a term of years, where immediate income is secondary."

The above inquiry found among a daily batch, addressed to the Financial Post, focuses attention on the possibilities for profits for those with funds available to do the same with as this writer.

As will be seen in the inquiry column, The Post suggests that he add Hollinger to the list of three mines which he gives, and in this way, if he is investing any large sum, he will have it well divided.

There are other issues that might have been added, but the chances for added increment, from those four mines, over a period of five or six years are quite attractive. Three of the four are dividend payers. Two of them will likely increase the dividend almost immediately: Hollinger and Teck Hughes. McIntyre has a tremendous program of expansion ahead so that is is not expected that there will be any increase over the $100 per share, per year now paid, for perhaps two years. Noranda s perhaps two good full years away from dividends. However, the chances of enhancement in value is what makes these shares attractive to anyone but much more so to the person with surplus funds from which an immediate income is not needed and who is desirous of putting them to work and at the same time not pay out the bulk of the profits, when taken in income tax.

Brokers say that few holders of large incomes appreciate the possibilities of big profits in long holds among the mines, and at the same time realize the saving they would make in income tax.

LORING GROUP AT FISHER IN COMPANY

Fisher-Quebec Company Has Taken Up Attractive Holdings

Fisher, Quebec Gold mines has been organized to take over the Fisher Quebec syndicate, the holdings of Frank C. Loring, at Fisher Station on the Transcontinental Railway in Quebec. Total holdings include 1,200 acres, and some important showings have been encountered. Attention was attracted to the group about a year ago when some very spectacular quartz float was discovered showing a considerable amount of coarse free gold.

Two sheared zones have been opened up on the property and the company's holdings contain more than a mile of each. The best of assays which accompany the prospectus shows good consistent values over good widths.

Some of these are:—

Width	Source	Assay Value per ton	Check Value per ton
3½ ft.	surface quartz	$29.75	$26.80
3 ft.	surface schist	14.46	5.60
2 ft. 5 in.	shaft 1½ ft.	10.40	12.80
3 ft.	shaft 6 ft.	31.00	27.80
3 ft. 8 in.	shaft 7 ft.	16.53	8.40
5½ ft.	shaft E	3.30	6.80
5 ft.	shaft N	48.49	34.40
4½ ft.	shaft E	5.57	3.20
2 ft. 5 in.	shaft 25 ft.	27.10	.....
Special	Chalcapyrite picked	50.63	46.40

The Loring did 2,122 feet of diamond drilling, putting down seven holes. The greatest depth being 250 feet. These showed gold-bearing veins twenty to seventy feet wide in each hole and assays showed values $1.40 to $11, with $12 and $34 as the highest. This drilling was done to secure geological information. This information with values obtained in each hole, Mr. Loring says is conclusive evidence of the importance of the veins cut.

Heavily Mineralized Body in Boischatel

Recent development work on the 240 acre group in the north-east corner of Boischatel township owned by Rouyn-Boischatel Development Co., disclosed a large and heavily mineralized body of ore, which from present indications appears to be the most important find to date in this particular section. Stripping and trenching operations uncovered a large ore body heavily mineralized and with massive chalcopyrite and bornite disseminated in a consistent manner throughout the rhyolite. This body of ore has been definitely defined for a distance of 1000 feet, running across the claims from east to west and opened up for a width of 50 feet and cross cut at various points for channel sampling purposes for a length of 400 feet. As yet the exact width and length of this ore body is undetermined.

Samples from channel cross cuts have shown 8.42% copper, or 168.4 pounds to the ton.

Another ore body of considerable extent, from which excellent surface samples have been secured, has been discovered about 300 feet to the north.

TOUGH OAKES REPORTS.

Optimistic reprts continue to circulate in regard to Tough Oakes. So far, however, successes have been confined to the section west of the dyke.

TURNER VALLEY HAS NOW 4 NAPHTHA PRODUCING WELLS

New Interest Aroused in Alberta Field by Latest Success

Much discussion on the Alberta oil situation is going the rounds because of articles recently circulated picturing the outlook as pessimistic. At the same time developments in the field are such as to arouse optimism among those keeping in close touch with the situation.

During the past couple of weeks, Turner Valley has had two new naphtha producers added. Vulcan and Illinois Alberta, giving the camp four such wells. The Illinois Alberta is the smallest of the four, but the company is going deeper with a diamond drill and may yet bring in a large producer. It is believed also that the Vulcan will be carried farther into the limestone. Royalite Four, the first well to get the rich naphtha gas, was carried 310 ft. into the limestone and the three producers since are not near that distance into this producing formation. It is understood that Vulcan should go another 140 ft. Royalite Four is earning Imperial Oil about $1,000,000 yearly. The possibilities of the other three wells are not known, but it is certain that they will be highly profitable.

Deeper at Wainwright

Considerable encouragement has been met with in the Wainwright field, due to some measure of success by Western Consolidated. Much attention is being given the Emerald well which is to be carried down 1,000 ft. deeper than the two present producing wells.

Imperial Oil which has been drilling a deep test well at Bow Island, has met with encouragement. In Brinstone, it is believed that the Imperial well will be drilled in this week. The showings here are also encouraging. There is drilling going on west of Calgary that gives considerable promise.

Throughout the province the hunt for oil is aggressive. The great bulk of the independent money spent so far has been provided by Alberta people. However, not long ago Marland Oil entered the field on Hudson Bay properties, and it is now announced that Doherty interests of New York are also taking a hand. Several of the large California independants have made men in the field, all of which is indicative, that what pessimism prevails in regard to the Alberta field, whether sincere or not, is greatly overshadowed by the amount of optimism prevailing and which is seemingly backed by a large amount of real money.

Overtures to Duprat Have Been Rejected

Shareholders of Duprat Mines have approved of the directors proposal to increase the number of directors of the company to seven. Thomas Maher, Quebec City, has now been added to the board. Mr. Maher represents strong financial interests of Quebec. In a report to the meeting Joseph Houston, E.M., engineer in charge of Duprat property stated that everything was in readiness for the Swedish Electrical Survey to start and it is expected that the machine will be on the property in the course of the next few days. It was stated at the meeting that the Company had refused to entertain overtures made through representatives of other financial interests as the company is well financed and quite capable of taking care of all the developments planned by Mr. Houston.

Old MacKenzie-Mann Operation is Taken Up

The old Mackenzie Mann property at the south end of Mackenzie Lake, South Lorrain, has been taken over by the Taylor interests, formerly Hudson Bay people, and will be explored. Work will start about Jan. 1 and meanwhile a plant will be taken in. Rather an interesting condition exists on the property, there being, in a small area, seven known veins, all showing excellent length. A shaft was carried down 50 feet on the property and no lateral work done. It is estimated that the former operators dropped $100,000 on the property in operations and payments.

WRITE FOR OUR MARKET LETTER

F. J. CRAWFORD & CO.
F. J. CRAWFORD
S. J. McGRATH
MEMBERS STANDARD STOCK AND MINING EXCHANGE
STOCK BROKERS
10 JORDAN STREET
TORONTO, CANADA
Cable Address "Service"
PERSONAL SERVICE

London Paper Suggests Canadians Should Get Mine Funds From U.S.

Attitude of Press of England Explains Ignorance and Prejudice Prevailing

ATTITUDE UNFAIR

"Canada," a London Weekly, Scores Papers for "Carping Criticism and Unfair Attitude"

H. S. Denny, English mining engineer, in a letter published in The Financial Post last week, stated:—

"Nevertheless I am bound to admit that in London there is a scepticism and a pessimism in the minds of the brokering fraternity and the general public regarding Canadian mining that is deplorable. Most of the men with whom I have talked have not formed their opinion on any basic or concrete instance or property, and in fact, most of them know very little about existing conditions in Canada or the progress that has been made in the mineral industry in the past few years. They usually begin by talking about the Grand Trunk swindle, as they call it, and they talk largely and rather widely about the unreliability of all Canadian mining ventures and mining people."

It is not surprising that this ignorance and prejudice prevails, when the attitude of the press of London is considered. "Canada," a London weekly calls attention to position of the London press in a recent issue on an article headed, "Carping Criticism" in which it accuses leading publications like the Financial Times and Daily Mail of adopting an unfair and prejudiced attitude to Canadian mining ventures. "Merely because they happened to be domiciled on the other side," (Canada).

In view of the attitude of not a few Canadian Imperialists, who are constantly urging that London money instead of United States money be encouraged to take hold of Canadian mining it is interesting to note that the Financial Times registers surprise that Canadians should need to market shares in the mother country. Considering that money is so plentiful in the United States and Canada says: "The praiseworthy and successful Canadian mining enterprises—of which there are now quite a large number—receive only a minimum of recognition in the London Press, even when they are sponsored and controlled by well-known city mining houses, but any attempts by Canadian financial firms to interest British capital in Canadian mining ventures appear to be indiscriminately attacked.

"This is giving a very bad impression in Canada, where, naturally enough, it encourages the belief that London is not interested in Canadian mining enterprices and that the London press delights

(Continued on page 19)

Mining Industry is Prosperous

Prosperity in the mining industry throughout Canada is indicated by the employment situation. On Nov. 1 there was an improvement in employment, especially in the coal mining branch.

Employment in the mines of the Dominion totalled 45,581 on Nov. 1, according to 203 reporting operators to the Federal Labor Department. This compared with 45,006 the month previous and the level is materially higher than that of November, last year.

PROFIT HANDLING NORANDA'S KNOWN ORE $18 A SHARE?

Company Will Soon Have 50-Drill Compressor and Working Under Cheap Power

Noranda shares recently sold up to $21 which places a valuation on the enterprise of $37,750,000.

Some are asking is this too high. On the bare reports which the company has issued, it would seem so. On the information which is available in well informed circles and which is considered fairly reliable, the price is not too high.

The last report on Noranda ore reserves showed $22,951,000. This was from 944,500 tons of $24.30 ore.

It was not so stated in the report, but it is pretty safe to say that this estimate took in little below the 100-ft level. Noranda is developed to 300-ft and fairly well opened at that level and it is known that the ore continues to below the 700-ft. level.

It has been carefully estimated by engineers who have visited the property and who have been in close touch with Noranda that ore reserves today stand at $45,000,000 down to the third level.

It is hardly safe to accept this on the same content per ton as the company's figures show, as it is understood that the value of the ore has raised materially. But to accept such figures for the sake of argument, it would make 1,800,000 tons and on Mr. Thompson's estimate of $7 costs, would show an operating profit on such a reserve of $32,400,000. It will be greater as the tonnage, with the richer ore, will be less and total costs consequently lower. But at this figure, it shows an operating profit from the company's ore alone of about $5,000,000 under the market value.

There are some important facts to be remembered. Noranda will handle the custom ores of the camp and it also owns the townsite. In addition, the ore that is now in sight was opened up with a small five drill compressor, operated by steam, with three drills available for work, one of which was in the shaft and the rest of the power being utilized pumping water. Yet with this inadequate equipment the company put $45,000,000 in ore in sight in three years. Noranda is now installing a 50 drill compressor, so that it is not hard to imagine the change that will come over the mine when cheap power is available.

Abana Directors Have Ordered Mine Shutdown

Pres. Lamothe, Abana Mines, has sent a reply to the recent article of The Post relative to the situation at the mine. It will be published later. Montreal reports state that funds have been offered the company if the present directors retire. Abana directors have decided to close the property down. Whether the pumps are to be pulled or not is not known.

Engineer Outlines Work On Fiske Quebec Holdings

Edward Orser, consulting engineer of Fiske Gold mines has issued an interesting report on the properties of the company, following his complete survey of the company's extensive Quebec holdings. The report points to a number of interesting situations which have been uncovered and which it is proposed to explore. He has already made a start.

(Continued on page 19)

DRAPER DOBIE & CO.
Members Standard Stock Exchange
NORTHERN ONTARIO BLDG.
Phone Adel. 2324 TORONTO

SAFETY FIRST
In Case of Fire—What!
Are you risking all through overlooking the necessity of proper insurance protection?
Rates on application.
THE VENTURA CORPORATION LTD.
FINANCIAL AGENT TRUSTEE MINE INSURANCE
67 YONGE STREET TORONTO-2

P&P
MINING STOCKS
We offer a complete brokerage service based upon experience gained during more than half a century for the purchase and sale of all securities. Correspondence invited. Direct wire connections.
PELLATT & PELLATT LIMITED.
244 Bay Street Toronto
EST. 1866

JAY COPPER HAS RICH COPPER ORE ON AMOS GROUP

Steam Plant Installed Will Speed Up Opening Up of Find

MONTREAL. — Application has been made to the Montreal Curb Exchange to list shares of Jay Copper Gold Mines. These shares have been changing hands between brokers at around 81c. The company has spent over $60,000 in developing its 400 acre property situated in Dalquiers Tp., about four miles from Amos, P. Q. This property is reached by a good automobile road. In addition, the company owns a further 900 acres situated about 1,600 feet from the Dalquiers property and along the line of the same strike, and 1,000 acres in Clericy Tp., Rouyn district. On the two latter properties assessment work has been done.

Shaft Now Down 200 Feet

On the 400 acres near Amos, the company began sinking a shaft in July last; this has now reached the 200 foot level, where some drifting has been done along the vein. The ore at this level, officials say, runs between $20 and $30 a ton in copper. Some drifting has been done also on the 100 foot level, and it is the intention to proceed with larger scale development on the lower horizon, where to date the work has penetrated some 75 feet along the vein. Drifting will be done in both directions from the shaft.

To date, the operations have been carried out with a gasoline plant, but by next week the company will put into operation new steam equipment which will enable the work to go forward faster.

Capitalization of Jay Copper is 5,000,000 shares of $1 par value. Of these, 2,500,000 shares were paid for the three properties, and the remaining treasury stock is under option to underwriters. Of the $2,500,000 treasury stock, 250,000 shares have already been sold to the public.

Work at Important Stage

Surface work on the main property near Amos revealed three good surface showings. On the most promising of these, the shaft was sunk; at the 200 foot level the vein showed a width of eight feet. Two other surface showings are within 250 feet of the shaft, and it is the intention to crosscut these veins. The company is employing at present some 25 men on this property. The management plans to ship some 60 or 70 tons of ore shortly to a smelter, in order to obtain an accurate estimate of the ore values.

Swedish Survey For Corona Now Assured

Corona Mines which have been attracting considerable attention amongst the mining public of Northwestern Quebec, have just completed a deal with strong financial interests and do not wish to disclose their identity at this time. Through this deal the company is assured of ample finances for all the developments planned by Joseph Houston, E.M., consulting engineer. Recent developments revealed excellent results and it is believed that the decision of the company to use the Swedish Electric machine is based on these results. Corona group is well located, bordered as it is on the north by Consolidated Smelters and on the south by the Riadgo Copper Corp., on which properties recent developments have been somewhat spectacular.

Explosives Merger May Benefit Mines

Canadian Explosives and Northern Explosives are now under the one company. It is understood that plans laid out, following the merger, will work to the benefit of the mining industry, though nothing has been stated officially as yet. The Nobel plant of Canadian Explosives, 80 miles from Sudbury, which operated as the British Cordite plant during the war, will resume and supply the main needs of northern Ontario. This will mean a greatly reduced freight haul. Explosive companies have made good progress with the railways in eliminating the explosive hazard in freight handling and, as a result, freight rates are materially lower — especially the minimum. This has benefited the prospector particularly.

LAVAL WILL DIAMOND DRILL

Interesting surface conditions, opened up on Laval Quebec mines extensive holdings, are to be diamond drilled this winter, according to a report by J. A. Naud, managing director.

B.C. Mines Creating $6,226,000 New Wealth

(Continued from page 17)

to the output of the Allenby Copper Co., now mining and milling about 2,000 tons of ore a day. This company commenced production in August, 1925, and the mill has gradually been brought up to full capacity. A production of about eighteen million lbs. is expected from this mine a year, and increases in output for the year are also expected from Granby Company's Anyox mine, mill and smelter, and from Britannia mine.

In lead production, a new record has also been established in an estimated output of 260,000,000 lbs. of lead as compared with 237,899,199 lbs. in 1925. The Sullivan mine is expected to again make a larger output than in the previous year, and in addition, a greater production will be made by the mines of the Slocan district. The bulk of the lead production of the province comes from the Fort Steele, Slocan and Ainsworth mining divisions.

Zinc is another metal which has shown a large increase in production. It is estimated that approximately 135,000,000 lbs. of the metal will be produced as compared with 98,257,009 lbs. in 1925, due to greater production from Sullivan mine and increases from several properties in the Slocan district.

Coal is Down

Estimated figures of coal and coke productions, supplied by Chief Inspector of Mines, Dickson, show a decrease in coal output of 5 per cent., and an increase in the quantity of coke produced of 32 per cent. The coal mines are now working to capacity, and a large production is expected in the last two months of the year. The decrease in the tonnage of coal mined has been due to fuel oil competition and an unusually small demand for coal for domestic purposes in the first nine months of the year.

A slight increase in the value of building materials and miscellaneous minerals is expected. 1925 figures were $2,843,110 and $3,000,000 is expected for 1926. Constructional work was somewhat above normal and, in addition, a greater output of miscellaneous minerals is anticipated.

Exploitation of non-metallic minerals, apart from strictly building materials, has not yet received much attention in British Columbia, Hon. Mr. Sloan points out, but more attention is now being paid tothe possibility of utilizing the nonmetallics in connection with various manufacturing industries.

New Discoveries Attract

The most important discovery of the year was eight miles from Topley, a station 59 miles east of Smithers on C.N.R. The showing is only slightly developed, but reports indicate that it may prove to be a large body of ore of milling grade, with values mainly in silver and gold. Another property which has received attention, is Trout Lake group, 36 miles north-west of Fort Graham on the Finley River, where there is an exceptionally large surface showing of silver-lead-zinc ore.

The profits accruing from the mining industry of British Columbia are indicated by the dividends declared, the total profits are, however, greater, as profits made by individuals and private mining companies are not given publicity as dividends. Dividends declared in 1925 were slightly over $6,000,000. The total for 1926 will be about $7,500,000. These fall far short of giving the true profits however, as figures on individual and private operations are not available. An indication of how profits may be much greater than dividends declared is Consolidated Smelters, which last year showed a net profit of $10,780,637, as compared with $3,230,045 declared as dividends. The Granby Co. made a profit but no dividends were declared.

"The steady growth of the mining industry," concluded the Hon. Mr. Sloan, "means much more for the province by reason of the distribution of money in payment of wages, supplies, etc., than in the actual dividends declared. From every angle the industry is now in a prosperous and healthy condition. The search for new ore bodies is continually expanding, with the result that our known reserves are greater than ever before and continually growing; our production is steadily mounting; our processes of ore treatment are highly efficient; amicable relations prevail with labor and highly efficient workmen are obtainable for the industry; and, lastly, mining capital is attracted to our mineral resources by reason of the potential profits obtainable from their exploitation."

MINING STOCK QUOTATIONS
Week Ending November 30

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Nov. 30 Close	Sales for wk.	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low
Amulet	$1	...	...	1.40	1.31	1.35	26000	..	..	1.67	.90
Algonquin	1	...	...	6¼	4	5½	260350	..	..	6¼	1¼
Apex	1	...	...	3	3	3	1000	3¾	2	6	3
Area	1	...	...	27	25	25	45100	..	..	40	21
Argo. Con.	1	...	...	58¼	52¼	57	263400	..	..	67	18½
Atlas	1	...	...	2½	2½	2½	1400	5	¼	5	1⅝
Barclay	.	...	...	31	30	30	7800	..	..	31	30
Baldwin	1	...	...	4⅜	4	4	106100	7	1⅞	7	1
Barry Holl.	1	...	...	90	85	85½	841000	50	18	1.00	.22
Beaver	1	...	...	64	59½	63	50200	57	25	94	52
Bellellen L.	1	...	...	21½	21½	21½	4200	..	..	23½	20½
Bidgood	1	...	...	7	6	7	10800	16¼	4½	10¼	4½
Boston Creek	1	...	...	...	..	..	...	9½	4½	7½	2¼
Bourlamaque	1	...	...	1.35	1.32	1.35	53300	..	..	1.35	.66
Buckingham	1	...	...	3½	3¼	3½	10500	5¾	2¼	4½	2
Can. Lorrain	1	...	...	69	62	63¾	37400	80	22	93	43½
Capitol	1	...	...	34¼	26½	26½	61700	38	24	50	25
Castle Tre.	1	...	...	1.17	1.12	1.12	17440	1.60	.71	1.85	.91
Chaput H.	1	...	...	6	5	5½	45600	10	4	31	4¾
Clifton	1	...	...	...	..	..	...	26	2	6½	1½
Coniagas	5	...	...	4.50	4.45	4.45	1300	5.00	1.25	4.80	3.00
Coniarum	5	...	...	3.90	3.75	3.75	162	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2½	2⅛	2¼	35250	10½	2	25	2
Cons. Smelter	25	3+3	2.36	2.54	249½	251	12517	183½	48½	254½	177¼
C. W. Dome	1	...	...	22	21	21¾	115950	25	10½	29½	14
Crown Res.	1	...	...	10⅛	9½	10	6600	55	15	24¼	8
Corona	.	...	...	22	20¾	22	68900	..	..	22¾	20½
Dome Mines	None	2.00	16.80	12.05	10.85	11.90	20006	18.00	12.90	20.00	8.00
Don Rouyn	1	...	...	43	39	40	10600	..	..	61	25
Duprat	1	...	...	26	23	24¼	111600	..	..	29	10
Fiske	.	...	...	12½	12½	12½	3000	..	..	16	11
Everett	1	...	...	4	3¾	4	15800	10	4	12¼	3¾
Goldale	1	...	...	32	29½	29½	28000	37	14¾	43	24
Gold Hill	1	...	...	43	37	43	74140	..	..	73½	25
Gold Reef.	1	...	...	2	2	2	2500	2½	1	5	1
Hill Top	1	...	...	22	20	20	19000	..	..	31¾	20
Hollinger	5	26	6.76	19.00	18.70	18.80	3488	17.50	13.30	19.95	16.65
Indian	1	...	...	...	..	..	...	17¾	3½	14	3¾
Inspiration	1	...	...	...	..	..	...	..	..	..	..
Int. Nickel, c.	None	2.00	5.26	38¼	36½	38¼	9141	..	..	46	33
Jay Copper	.	...	...	81	80½	81	16050	..	..	81	73
Keeley	1	24	15.77	1.60	1.52	1.52	14200	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	15	13¼	14	25800	..	..	22	12
Kirk. Hunt.	1	...	...	30	27	27¼	140700	..	..	34	8½
Kirk. Lake	1	...	...	83	72	81	226350	92½	33	1.44	.69
Lake Shore	1	40	2.78	14.40	14.10	14.40	6945	10.00	4.51	15.10	9.60
Lakeside	1	...	...	5½	4¼	5¼	262250	15¾	2½	10	1⅛
Laval	1	...	...	27½	23	27	71049	..	..	44½	21
La Rose	1	...	...	7	5	6	9700	53	7½	38	4
Lorrain	1	...	...	3¾	3	3	20300	24	7	15	3
Lorrain T.L.	1	...	...	50	50	50	150	1.34	.85	1.10	.30
Macassa	1	...	...	34	33	34	25400	..	..	43	33
McKinley	1	...	...	13¾	10¼	10¼	21650	42½	14½	26	8½
McIntyre	5	20	4.04	25.00	23.55	24.75	9620	22.70	16.00	29.75	22.70
Millcrest	1	...	...	4	3¾	4	17400	..	..	21	3½
Mining Corp.	5	5	8.93	2.80	2.72	2.80	6290	3.40	2.35	4.45	2.60
Montreal Ont.	1	...	...	...	..	..	...	..	..	..	..
Moneta.	1	...	...	...	..	..	...	18¼	12½	18	11
Montreal Rouyn	1	...	...	35	20	20	17300	..	..	60	13
Noranda	None	...	...	21.00	19.25	20.05	57518	..	..	21.00	14.20
Newray	1	...	...	38¼	36	38¼	1000	44	17	45	31
Night Hawk	1	...	...	4	3¾	4	7250	49½	6	17	3¾
Nipissing	5	12	9.75	6.30	5.60	6.15	8335	6.80	4.60	7.50	5.00
Ophir	1	...	...	...	..	..	...	..	..	4¼	1½
Pete Lake	1	...	...	...	..	..	...	11¼	2¼	10¼	1¾
P. L. Cobalt	1	...	...	24½	20	22	94499	..	..	32	17
Porc. Crown	1	...	...	6¼	5½	5½	6000	8	2	10½	4
Porc. Keora	.	...	...	7¼	7	7¼	3000	..	..	14½	3
Pioneer	1	...	...	1.15	1.10	1.10	53700	..	..	1.22	.66
Premier Gold	1	32	16.41	1.96	1.95	1.95	11975	2.58	2.19	2.75	1.90
Preston	1	...	...	6	6	6	12500	12	6½	9⅞	4
Rouyn	.	...	...	3⅞	2½	2½	135740	..	..	8	1⅞
Rouyn, Que.	.	...	...	2¼	1¾	2	52100	..	..	4½	1¼
South Keora	1	...	...	24¾	23¾	24½	31700	..	..	25	5
Stadacona	1	...	...	44¾	43¾	44½	46300	..	..	45	40
Teck Hughes	1	10	2.04	4.92	4.75	4.89	58297	3.00	1.23	5.00	2.64
Timiskaming	1	...	...	10	9	9½	2900	30	1½	14	6
Thomp. Krist	1	...	...	...	..	..	...	..	..	3½	1
Tough Oakes	1	...	...	65	58	60	482050	61	20	65½	36
Towagamac	1	...	...	4.90	4.50	4.75	11425	..	..	5.10	3.15
Vic. Silver	1	...	...	5½	4	4	21100	31	5	9½	3½
Vickers	1	...	...	1.09	1.05	1.09	34825	20½	3	1.09	.13
Vipond	1	...	...	1.62	1.53	1.57	27782	1.04	1.01	2.02	1.49
Wasapika	1	...	...	1⅛	1	1	6000	..	..	3	1
West Tree.	1	...	...	3⅛	2½	3⅛	1550	5	2	3½	2¼
Wettlaufer	1	...	...	3½	3	3	3000	17	3½	10	2½
Wright Har.	1	10+22½	3.55	9.00	8.15	9.00	13560	7.95	4.15	9.60	7.75
West Dome	1	...	...	...	..	..	...	..	..	24	16

Quebec's Prospecting Effort Differs Vastly from Porcupine

Quebec copper-gold area has been responsible for introducing into Canada the most intensified prospecting methods ever employed in a new mineral field.

The "doodle-bug" or dip needle, electric prospecting, besides the usual trenching and stripping and the diamond drill in addition to an intensive survey system, are all preliminary to launching underground work.

How different from the early days of Porcupine and Kirkland Lake. In these camps they uncovered surface showings and immediately sank on them. Of course in Quebec the important ore bodies have not outcropped. For instance, the Horne diamond drilled an important body but found many important ones when they sank on the one drilled. Towagmac located bodies by diamond drilling which followed intensive surface study and surveying, and in lateral work to pick up the body located by diamond drill, picked up a narrower but nevertheless interesting looking ore body.

Much comment is heard from the outside mining world as to the campaign going on in Quebec.

The Only Private Wire Service from the Mines

OUR news from the various mines is received by us over our own private direct wires, which tap every large camp in the North Country.

This service to our own clients is of inestimable value.

CAN WE SERVE YOU?

ARTHUR E. MOYSEY & CO. LIMITED
FOUNDED 1904 TELEPHONE: ELGIN 5171.
Moysey Building, 242 Bay Street, Toronto

Castle Trethewey
Vipond Noranda
Bourlamaque Syndicate
MORGAN U. KEMERER
29 Melinda St. Toronto 2, Ont. Adelaide 7715
145 St. James St. Montreal, P.Q. Harbour 4935

JAY COPPER-GOLD MINES LIMITED
(NO PERSONAL LIABILITY)
The work on this property has proved it beyond the critical stage, Arrangements being made to ship Ore at once to the Smelter.
Write for Particulars
It is to your Advantage.
Francis J. Hunter & Co. Limited
MEZZANINE FLOOR - MOUNT ROYAL HOTEL
MONTREAL

LORSCH & CO.
MEMBERS STANDARD ... AND MINING EXCHANGE

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
NEW LISKEARD, ONTARIO

JAMES W. SEWALL
Consulting Forester,
OLD TOWN, MAINE,
Largest Cruising House in America

As Essential as a Rudder to a Ship
is accurate knowledge of mine and market conditions to the mining investor who would be successful.
This knowledge, plus the experience and mature judgment gained through twenty years' close contact with mines and markets, is crystallized for the benefit of readers in our
FORTNIGHTLY MINING REVIEW
a dependable guide to profitable investments.
To have this mailed to you regularly, sign and mail the coupon below.
This service is free.
Homer L. Gibson AND COMPANY
Bank of Hamilton Bldg. TORONTO
Gentlemen.
Please send your Mining Review to the undersigned.
Name ....
Address ....
Please print name clearly.

North Western Quebec
"The Land of Opportunity"
PLANT & HAMPSON LTD.
Members Montreal Mining Exchange
Union Bank Bldg. OTTAWA

CHAS. SPEARMAN
(B.Sc., M.A.)
CONSULTING MINING GEOLOGIST AND ENGINEER.
Examinations, reports, etc.
Exploration and mining programs.
Preliminary exploration, diamond drilling, etc.
Room 704, Power Bldg., Montreal, Que.
'Phone Main 6312.

More Pep
Storage Batteries for Cars and Radio.
Monarch Battery Mfg. Co. Ltd.
Kingston - Ont.

Lonergan Securities is pleased to recommend purchase of shares in
Porcupine Kirkland
Lonergan Securities Limited
Union Trust Bldg. Toronto

Wright Hargreaves
Dome
Vickers
Pioneer
Vipond
Nipissing
Noranda
The current issue of our market letter, "The Mining News," contains valuable information on the above stocks. A copy, free, upon request.
Visit Our Board Room
F.G. OKE & CO.
TELEPHONE ELGIN 5111*
34 KING ST. E., TORONTO

Mowat & MacGillivray
STOCK BROKERS
*Q. 610 New York Stocks
128 Sparks St., Ottawa
Montreal and Toronto Stocks
Orders Executed on All Exchanges
Private Wires Mining Stocks

Shareholders—
Algonquin Mines LIMITED
It has been officially reported to us that the results of 3 assays made from the new discoveries on your property are:
Assay No. 1, taken from vein No. 1 which is 6 ft. wide, ran $33.30 per ton.
Assay No. 3, taken from vein No. 1, outside of quartz showing, ran $1.00 per ton.
Assay No. 2, taken from vein No. 2, which is 10 ft. wide, ran $12.80 per ton.
ELGIN 3342
J. P. Cannon & Co.
Members Standard Stock Exchange
56 KING ST. WEST TORONTO

PATRICIA AIRWAYS LIMITED
Provides
The quickest, safest and most comfortable method of travel BETWEEN
SIOUX LOOKOUT, RED LAKE
AND THE
Chief Gold Fields in the District of Patricia
'Phone for full particulars or write
PATRICIA AIRWAYS & EXPLORATION, LIMITED
Seaplane Base: Sioux Lookout, Ont.
506 C.P.R. Building, Toronto, Ontario. 'Phone: Elgin 4598.

INTIMATE knowledge of the mining districts, together with my experience, covering 25 years' direct association with Mining Operations and Finance, is at your service.
Your enquiries are invited
MINING STOCKS — Bought and Sold
E. S. GORDON
Mining Counsel Elgin 3614
302 Reford Bldg., 217 Bay St., Toronto

The Price Syndicate
invites you to consult them before investing in Alberta oil stocks. Member Calgary Stock Exchange.
212 Seventh Avenue West, Calgary, Alberta

A. W. HAWKEY & CO. LIMITED
Members Calgary Stock Exchange
Oil Stocks and Leases Bought — Sold — Quoted
We invite correspondence. Write us. Liberal Terms to Agents.
501 Leeson & Lineham Bldg., Calgary, Alta.

A COMPENDIUM OF THE MINES
Mailed upon Request.
We will be pleased to mail to your address, post paid, a recently compiled authentic survey of the mining industry in Canada. Do not delay in writing for a copy as the supply for free distribution is limited.
ORDERS EXECUTED ON ALL EXCHANGES.
Phone ELgin 3461.
A.E. Osler & Co.
Established 1886
Cor. JORDON & MELINDA STS., TORONTO

HENRY HANSON TO BUILD CENTRAL MANITOBA MILL

Order Placed and Delivery Fixed for Early Next Year

Henry Hanson, formerly of Dome Mines, and for some considerable time consulting engineer with the Canadian company of John Taylor and Sons, London, has designed the new mill which will be erected on the Central Manitoba Mines and for which orders have already been placed. It is understood that Mr. Hanson spent considerable time at Temiskaming Testing Laboratories making tests of the Central Manitoba ore so as to arrive at the proper treatment necessary for the best extraction.

It is understood that the financing of the company has met with quite a favorable reception in Toronto, Winnipeg, and Boston, in which places it was offered simultaneously. The new mill is to be taken into the camp over the winter roads and should be in shape to operate by midsummer.

Contracts for mill machinery and equipment have been placed and delivery is promised early in January, 1927. As the ore in this field is similar to that of Northern Ontario, experiments have proven that 95% extraction can be obtained by installing a two-stage crusher, Allis-Chalmers ball and tube mill and Dorr and Merrill leaching and filtering systems. The initial capacity of the mill will be 150 tons, but ample provision will be made to allow this to be stepped up considerably. Mr. H. Hanson erected and installed the mill at Dome Mines.

London Paper Suggests Canadians Get Mine Funds from States

(Continued from page 17)

in attacking the industry at every opportunity."

Discussing the Financial Times hear for Canadians to go to United States for their money: Canada says:

"This justifies those Canadians who complain of the attitude shown by the London press towards Canadian mining ventures. No reputable English journal should be so foolish and short-sighted as to urge Canadians to take to the United States all their mining enterprises which they are unable entirely to finance themselves."

Canada then deals with an article in the Daily Mail which The Financial Post is interested in, inasmuch as the Canadian correspondent wired The Post about the matter and got a reply: Canada says:—

"The financial editor of the Daily Mail has also recently indulged in indiscriminate criticism. We have not seen the "flamboyant red and black circulars from Montreal" which have aroused this critic's ire. It is quite probable that the wording of this share offering appeared crude and unsatisfactory to this financial editor, but this does not justify unintelligent criticism and a spirit of deliberate unfriendliness to Canadian mining. The Daily Mail calls this "a rather unseemly rush after British speculative money." Let us have fair criticism.'

The Financial Post has in its possession one of the "flamboyant red and black circulars," and considers that "Canada's" postition is well taken. The merits or method of the offering were evident. The critic evidently only saw red. The first line on the circular declares that the venture offered is a speculation.

The Financial Post received the following wire from the London Daily Mail's Canadian correspondent at Montreal:—

"Please telegraph what you know regarding Morgan & Kemerer and Gold Exploration Co. of Canada, whose shares he is advertising in London at 4 shillings each in blocks of 25. Where and at what are they quoted. Important."

The Financial Post made enquiries and studied the literature of the concern and wired as follows:

"Our information in Gold Exploration being offered as speculation limited five pounds sterling per person. This works out at par for shares in $5,000,000 company which has two-fifths of capital issued. Owns about 2,000 acres in Quebec, part of which has good geology and therefore worthy of exploration. Shares not quoted on any exchange. People behind it fairly substantial.

VIPOND TO SELL SHARES

Early in the new year Vipond shareholders will be given the right to take up new shares on a basis of one new for each 10 held. The price has not been fixed.

JAMIESON COPPER FIND

It is rumored around Timmins that Hollinger has taken an option on the original Jamieson Tp. property, west of Timmins, where gold-copper values have been encountered.

UNITED MINERAL LANDS.

United Mineral Lands, Porcupine, is driving from the Ankerite shaft, 475 ft. level, through Paymaster claim to tap the west end of their property. The vein is an extension of the Ankerite vein on which good values were obtained on the upper levels.

BOISCHATEL MINES HAS FUNDS

D. S. Paterson & Co., Toronto, have announced that they have underwritten a block of Boischatel Mines stock and have already provided the company with sufficient funds to assure the programme of work outlined by the engineer for the Boischatel groups being carried out. This company has three blocks of ground in the township.

ALBERTA OIL
Daily Quotations
Ottawa Bond & Security Company, Ltd.
BOOTH BLDG. - OTTAWA

Don Rouyn Discoveries
Write for latest information
St. Lawrence Finance Corp.
14 Hospital Street Montreal

Mining Inquiries

Chukuni Red Lake

Will you give me a report on Chukuni Red Lake?

This is one of the numerous Red Lake propositions that came on the market when that camp was being boomed, and as the boom died, they slipped back and are likely to remain in the background for some time. These syndicates were in a good measure responsible for killing the camp temporarily because few of them did any real work at all watching the Howie, waiting for it to prove something for them.

Six Good Stocks

Do you consider the following good buys: Teck-Hughes, Noranda, Page Hersey pref. and common, Spanish River common, Shredded wheat?

The issue you outline in your letter, namely:

Teck Hughes.
Noranda.
Page Hersey Preferred and Common.
Spanish River Common.
Shredded Wheat.

are all well regarded in their respective fields and look attractive.

Baldwin

I would like some information on Baldwin Gold. What is the company doing? Is the stock worth holding?

An aggressive operation is being carried on at Baldwin. The management, under Mr. Christopherson, who underwrote a large block of stock being such that aggressive and intelligent mining will be carried on. Much will depend on the success met with or the encouragement to keep on working. As the property is regarded by some engineers as having merit, the shares look to present a reasonable gamble around three cents.

Stick to Canadian Stocks

Would you advise buying Ardsley Butte? Is the Boston Criterion a dependable paper?

We do not advise on U. S. stocks, but we should judge from the nature of the propaganda being carried on, that this would be good to leave alone. There are many Ontario, Quebec and B. C. mines that offer excellent speculative opportunities. We do not know but the Criterion bears the earmarks of a brokers sheet, designed to put over Ardsley Butte stock.

Finch Petroleum

I have 2,200 shares Finch Canadian Petroleum, La Belle Bldg., Windsor, and working in 50 or 60 miles from Windsor. They drilled 590 ft. but struck water and and moved drill. What do you think of my investment?

We have been unable to get any data on Finch Canadian Petroleum, but have been told that these are gambling possibilities to the area they are working in. It is not an investment, it is an oil wildcat or gamble.

Wants Long Hold

I never bought a mine share, but would like an investment to run 5 or 6 years. How about Noranda, Teck-Hughes, McIntyre? Which is promising, immediate income being secondary?

For one who has not been in touch with the mines, your selections are good. Playing on a long hold, as you expect to do, we would suggest that you add Holinger, and you have a good selection of strong mines with your investment well scattered. All four should make you considerable money in market appreciation, and at the same time the yield in dividends should steadily increase.

Several Good Mine Issues

Would you recommend Teck-Hughes at to-day's price? How about Gold Hill, Hill Top, Kirkland Lake, Argonaut and Vipond are they good?

Teck Hughes at to-day's price is well regarded. In our issue of November 26 you will find a review of the figures in the recent annual report. Gold Hill and Hill Top are speculations that are in good hands. The former already looks like a small rich mine.

Kirkland Lake is in the bad graces of many because of the Beaver dispute. They are talking higher prices for the shares now around 80.

Argonaut is doing much better, and there are indications that it is nearing the big mine class.

Vipond is a nice clean cut proposition, that is in good hands. The stock should go on a dividend basis next year, and ultimately Vipond should work into the big mine class.

International Nickel

Do you consider International Nickel a good purchase for a business man, for 2 or 3 year hold? Is there any advantage in buying the parent company stock or is the Canadian as good?

There is only one International Nickel stock available on the market, and that is of the parent company of New York. No stock in the Canadian company, which is the operating company is available, it being held by the International Company of New York.

The outlook for this company is good. If you will look through our issue of November 12th you will find an analytical statement which shows the company to be in a strong position. Added to this is the fact that it recently announced that because of the outlook they had set their sales quota for 1927 25 per cent. above that of 1926. This is due to the gradual expansion of the market for nickel alloys for industrial purposes. It is generaly considered that nickel from now on has a very excellent future.

Mine Share Sales

Why do dividend paying mines have smallest number of sales in proportion to value with others? Why do brokers not sell short for clients?

You raise an interesting point re the sales of dividend paying mine shares being so much smaller than sales of non-dividend payers.

We should judge that there are two reasons:

1. The dividend payers are high in price, and it takes a great deal more money to handle them, besides the chances for speculative profits in the dividend payers is not as great as in mines that are coming up.

2. Dividend paying stocks are more closely held, most of them in substantial blocks and the offerings on sales are thus much restricted. For instance one group holds about 85 per cent. of Hollinger while about 80 per cent. of Lake Shore is believed to be in the hands of one man. A group of 5 men in Buffalo are gradually accumulating Wright Hargreaves and are today believed to hold the great bulk of the stock.

Certain brokers will sell short for clients. It is difficult to get them to do so at times.

International Nickel

Is International Nickel to be regarded as good for a hold?

International Nickel is working into a very strong position because of the development of a new market for their products. These are steadily expanding and just recently the company announced their sales quota for 1927 would be 25 per cent. over 1926. Earnings are on a very substantial basis and the common stock is well regarded for a hold.

Ostrom Gold, Boston Creek, is sinking a shaft and has reached a depth of 50 feet.

C. I. COULTER & CO.
MEMBERS STANDARD STOCK & MINING EXCHANGE
BROKERS AND FINANCIAL AGENTS
MINING STOCKS BOUGHT FOR CASH OR ON A CONSERVATIVE MARGIN
133 RICHARDSON BUILDING
319 BAY STREET TORONTO
PHONE EL 1645 OR EL 3496

Free Map of Quebec Gold Fields
A specially prepared map. You should have one. Send to-day.
W. H. Thorburn & Co.
LIMITED
Royal Bank Bldg., Toronto

We Specialize in Canadian Mining
STOBIE-FORLONG & Co
STOCKS BONDS GRAIN
Head Office: Reford Building
BAY AND WELLINGTON STS. TORONTO
MONTREAL HAMILTON BRANTFORD | Private Wire System | KITCHENER OSHAWA ST. CATHARINES

$5 will bring you The Financial Post for the next twelve months.

Use This Coupon to Subscribe

THE FINANCIAL POST,
143 University Avenue,
Toronto.

You may send me The Financial Post for one year (52 issues).
☐ I enclose $5. (Indicate method of payment.)
☐ Draw on me for $5.
Name ....
Occupation ....
Address ....

Extracts from Engineer's Report of

Fiske Gold Mines Ltd.

Nov. 22nd, 1926.

To the Shareholders of Fiske Gold Mines, Limited:—

Your Board of Directors have requested that you be informed of the relevant contents of our Engineer's report for October received yesterday.

In it he described in detail the construction of 6 log buildings at main camp, the clearing of 2 acres of ground to avoid fire risks and completion of necessary roadways.

With respect to exploration and development work and outlook his report read as follows:—

"On group 111 I have decided to start and carry down a small prospect shaft to explore the strong shear on the north boundary of Claim 312. Please note location on surface plan forwarded heretofore. This is where gold values were had and strong assays obtained in past work. The shear is about 30 feet wide and infiltrated with quartz solutions that have left veins of quartz which carry sulphides in considerable quantity. The area looks very interesting and if values can be had in economical amounts consistently along the strike there should be no question as to tonnage. This broken section has been traced for about 200 feet at the shaft location and there is another outcrop which may be the same thing about 300 feet east. Altogether, the structure warrants intensive exploration and that is the object and intention of the present work.

"On my last trip over the lower claims on Group 111 I found a quartz vein of rather exceptional size and which if it carries values would be a mine in itself. It is about fifteen feet wide and I traced it on surface for about 300 feet along the strike. It must extend further than this but the day was getting dark and I did not have the time to go further. This is on Claim No. 343. Later I came across another five foot vein lying a few hundred feet south of the big one and parallel to it. I was not able to travel along its length at the time. These two veins will be attended to after we can get living accommodation fixed up in that section. It will be necessary to erect a cabin from which prospecting can be carried on over the lower part of the property.

"This is down in the area which has produced many of the gold showings and Dr. Harvie tells me that there are some very interesting finds in the neighborhood. If gold is found under similar conditions adjacent to our ground we would naturally expect to find it thereon.

"Winter is now set in and we have been very fortunate to have been able to get under cover. It was only by paying all attention to this that we have succeeded. It has been a very busy month for all concerned at this end, and I have spent nearly the whole of it in the field which accounts for the apparent neglect in getting reports to you. It always takes some time to get affairs in work like this in smooth running order and as I pointed out heretofore I have had to really make a new start upon your work. We have done an exceptionally large amount of work during the last two months and, as we have been told in Rouyn, by those who are apparently watching our operations, we have made more headway on our surface work than any one in that camp for the time at it, and the small number of men employed. I do not hesitate to say also that it has been done at the lowest cost.

"Supplies have been obtained in Rouyn and at the Landing of necessity, and the prices are high but it is impossible to do otherwise at this time. With the taking over of the Railroad by the C.N.R. and the establishment of regular rates we may be able to better things. Supplies will also be teamed in from Chiminis this winter as soon as the roads take. Merchants in Rouyn are getting all they can for their goods and it has been a hold-up to date."

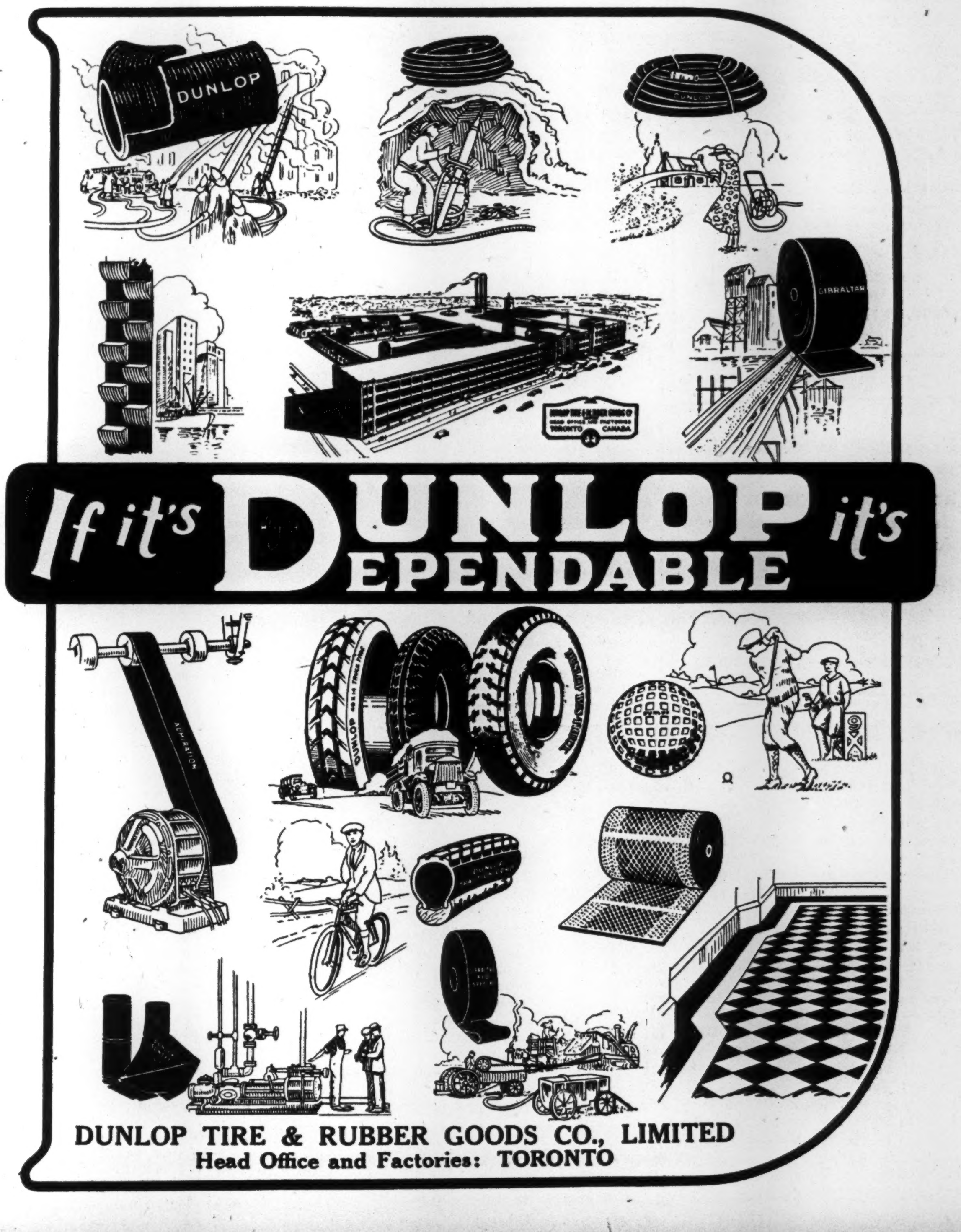
We have received also complete detailed financial statements of all disbursements with proper vouchers to October 31st, and are well satisfied with results thus far as well as the future prospect.

Quite a little stock belonging to shareholders is evidently being gathered in by certain parties through brokers who obviously expect values to increase shortly, which fact should be remembered if you are approached and asked to part with your holdings. You will be kept further informed from time to time as work proceeds.

Yours faithfully,
(Signed) G. D. ROBERTSON,
Vice-President.

Inquiries in reference to Fiske Gold Mines Ltd., will receive prompt attention if addressed to

G. P. O'RIELLY & CO.
74 Sparks St. Ottawa



C. H. MANATON
MINING PROPERTIES AND STOCKS
Recommend Purchase at Market.
Noranda, Amulet, Dome, Wright Hargreaves.
Suite 611-620
BANK OF HAMILTON BLDG.
TORONTO

We recommend
Montreal Rouyn
Louis M. Atwell & Co.
Members Montreal Mining Exchange
55 St. Francois Xavier St., Montreal

ISBELL, LOGAN CO.
Mining Investments
190 St. James St., MONTREAL
Main 3401

ONTABEC
The Outstanding Purchase of the North
F.W. DAVIS & CO.
707 BLACKBURN BLDG.
OTTAWA.

GORDON P. O'REILLY & CO.
Investment Stocks and Securities
Room 26, 74 Sparks St., Ottawa

ALLEN & COMPANY
Investment Bankers
Government, Municipal and Corporation Bonds.
36 King Street East
Tel. Elgin 5516

S. A. Marvin R. H. Scarlett
FLEMING & MARVIN
Established 1909
Members Standard Stock and Mining Exchange
STOCK AND INVESTMENT BROKERS
320 Bay Street, Toronto
Phones Elgin 5206-7.

D. S. PATERSON & CO.
Members Standard Stock and Mining Exchange
Royal Bank Building TORONTO
Phones *AD. 4747
Specialists in Canadian Mining Securities

JULIUS RICKERT & CO.
Geologists and Mining Engineers
Established 1894
67-70 UNION BANK BUILDING
Phone M9810 CALGARY, Alberta

INVEST IN BANNER OILS LTD. SHARES
All property approved for oil production.
Send for Engineer's Report.
604 MacLean Block, Calgary

For practical assistance to the manufacturer, and business man in the testing, inspection and use of all materials.
Milton Hersey Company
LIMITED
Industrial Chemists and Engineers
Montreal Winnipeg

Mining Inquiries

Mining Corporation

Do you consider Mining Corporation a good speculation at present prices?

Mining Corporation is regarded as having good speculative possibilities at present levels. The stock pays 25 cents per share per year.

Premier

How do you regard Premier mine shares?

In our issue of the 19th you will find an article dealing with Premier Mines. This sets forth fairly we think, the position of the enterprise.

Wants Broker

I want the name of a reliabel broker. Could you name one?

The columns of The Financial Post contain advertisements of most of the reliable houses in Toronto and Montreal.

Rouyn Gold

Rouyn Gold are selling at 3½ on Montreal Curb. What is your opinion of this issue?

Rouyn Gold mines looks like the long gamble the market price of the shares indicates it is. We should judge that there are better ones available.

Pan Extension

I held Pan Extension shares for years. Are they any good?

Pan Extension shares are valueless. Just the other day I was talking to one of the original group who put the first money on the property. He says he lost every cent.

Bowen Island Copper

I have old certificates of Bowen Island Copper, B. C. Do you know it?

Available records of British Columbia Mines, covering 10 years, fail to show any such company as Bowen Island Copper.

NaKamum Asphalt & Oil

What is the value of $1 shares of NaKamum Asphalt & Oil, Edmonton, issued 1914.

We have made enquiries regarding this concern, but have been unable to get any trace of it, or find anyone that ever had a knowledge of it.

Mine and N.Y. Stocks

I want brokers names handling Canadian Mine and N. Y. Stocks.

If you will check over the advertisements in our Mining Department you will find there the names of a number of reputable mining brokers with their offices in Toronto. In other sections of the paper you will find cards of brokers handling the bigger stock and New York transactions.

Stadacona Rouyn

What about Stadacona Rouyn, capitalization, extent of holdings, etc.?

Stadacona Rouyn is capitalized at $5,000,000. The Company has large holdings—many hundreds of acres—in N. W. Quebec, some of which is favorably located and on which surface work is now being done. It looks like a fair speculation.

Transfer of Mine Shares

What is position of minority shareholders in Rouyn Gold Mines? Should he refuse to follow majority and transfer into Quebec Gold Belt? Would he be forced to accept the exchange?

Yours is a legal problem, and while there must have been similar cases come up before, we could not learn of any. If the problem is serious we think you should consult a lawyer.

Century Silver

Do you know anything about Century Silver, apparently an old company?

We are unable to get definite information as to the fate of Century Silver Mining Co., though we believe that it went the same as a good many more. It was incorporated 1907, and reports of Department of Mines show work done in 1909-1910 and last 1916. Nothing since.

Kirkland-Hudson Bay

I would like your opinion on Kirkland-Hudson Bay. What is present price?

It is difficult to get any kind of a price on Kirkland Hudson Bay that might stand long enough for this letter to reach you. I understand that it fluctuates around 30 and 35 cents.

Far from the Market

I hold Hunton, Lakeside, Canadian Lorrain. Out on the prairies it is slow in getting details. What do you think of them?

Canadian Lorraine is the only stock of the ones you mention that we would care to recommend to you, as you are so far from the market. It is on a sound basis and is now building a mill.

Porcupine Grande

I hold Porcupine Grande shares. I would like a line on them. Would you hold or sell?

Porcupine Grande property is idle. It has some merit, but outlook is that you will have a long wait. I do not think you would find a market.

Porcupine Kirkland

I bought Porcupine Kirkland when Ontario's National development controlled it. Would you sell them now?

Porcupine Kirkland has fallen into good hands, and the company is out to make a real mining effort. You had best hold these.

Crawford Mining Co.

I hold shares in Crawford Mining Co., incorporated in Ontario. Are they worth anything?

Crawford Mining Company is shown in Ontario mine reports as having been incorporated in 1908, but as it is not mentioned in subsequent reports of Ontario Department of Mines, the presumption is that it is dead.

Select Good Brokers

What do you think of American Can and Central Leather? What is a good Canadian stock to trade in?

We do not make it a practice to try and answer inquiries on U. S. stocks. It is too difficult to keep posted on them.

In regard to Canadian issues, we would sugest that you get in touch with some good Montreal brokerage house.

Coleraine Silver

Was Coleraine Silver sold to Peterson Lake? What is it selling at? What is your opinion of it?

Peterson Lake did not buy Coleraine Silver which is in South Lorrain. Peterson Cobalt is in Cobalt camp.

Coleraine does not look attractive. Peterson Lake looks well, the shares being around 24c.

Sorry your letter became mislaid, hence the delay.

Lake Shore

Could you give information on Lake Shore? What dividend do they pay?

Lake Shore Gold mines is capitalized at $2,000000, $1 par, shares selling to-day at $14.20, making a market valuation on mine of $28,400,000. Stock pays 40 per cent. and bonuses quarterly. Recent payment was 10 per cent. regular and 10 per cent. bonus. A level it should be easy to maintain. The company is in good hands.

Net Lake Silver Area

Can you give information on mineral possibilities of Net Lake near Grey on T. & N. O.? I understand there is some promising silver and also molybdenum.

We think you would get the data you want if you secure from the Ontario Department of Mines reports on Cedar and Net Lakes by Knight, which will cover the Molybdenum points and Matibitchewan report by Todd, issued a year ago which covers the Silver area.

Noranda

What is your opinion of Noranda?

This issue looks very attractive for a hold of a few years.

Shares are regarded as cheap at present level. Some think there might be a break at New York, and in this way one might save a few dollars per share—but in waiting one takes the chance of having to pay higher.

Big Chief Oil

I bought 100 Big Chief oil, 1924. Have not seen anything in your paper on it in sometime. How deep are they now?

Well is down now about 3,000 feet and stock is selling about 50 cents. Like all these oil issues, it is a gamble. Changed geological ideas of Turner Valley concedes this company a much better chance than it was previously considered to have.

Yield is High

I hold Premier, Keeley and Dome. How are they regarded?

The three mining stocks you mention are well regarded. All three give an excellent yield at present prices. Premier is paying 32 cents; Keeley 24 cents; Dome $2 per share yearly. The latter stock fluctuates widely, but the property should be good for several years yet, despite bearish reports.

Ontabec

I hold Ontabec shares, bought around 50c. I hear they are worth $1, but cannot sell. I cannot get much information regarding company.

We attach a clipping from our recent Quebec issue on Ontabec and also one from recent issue of the Mail and Empire, Toronto. We are rather surprised to learn that you experienced any difficulty getting information about this company, but am not surprised at you being unable to find a market for your stock as the shares are unlisted. You will be well advised to write the company or perhaps have your Ottawa manager give them a call.

Strong Mines List

What is your opinion of Premier, Hollinger, Dome, Nipissing, Mining Corporation and Keeley?

The list of mining stocks which you outline in your letter is a strong one. Premier, Hollinger, Dome, Mining Corporation Keeley Silver and Nipissing are all on a dividend basis, and we should judge that the yield from such a group of stocks would be substantial. One share of each would bring you a return of $4.96 a year, Premier paying 32c. yearly, Hollinger $1.30. Dome $2, Mining Corporation 50c. Keeley Silver 24c., and Nipissing 60c. Roughly the yield would work out somewhere round 12 to 13 per cent. At the same time there stocks have good possibilities.

Millcrest Silver

You spoke favorably of Millcrest Silver, though the price was then lower than when issued. It is lower now. How do you regard the proposition.

Sorry we are unable to give you a detailed statement of Millcrest's position. Operations have been closed down for the winter. I have not as yet learned whether or not they are financed for further operations in the spring or not. The property possesses considerable merit as a speculation because of its location. Some encouraging results were met with during the summer's operations. There are developments pending—Watch The Post.

Central Manitoba

What can you tell me regarding the Central Manitoba Mines contact?

The power contract of Central Manitoba mines has just been signed recently. No official details are available, but there are rumors that it was on a basis of $17 at the power site.

This would mean that the mine would have to build the power line, so that I am a little skeptical as to the correctness of this report. We may have the details later, and if so will publish in the mining section of The Financial Post.

Eldorado

Do you consider Eldorado, Central Manitoba, a good 35c. speculation?

Eldorado in central Manitoba is regarded as a good speculation. It is in the hands of clean, young mining men, who seem to possess the ability to carry out their financing successfully and who have a very good reputation in mining. Reports from their property are that it looks attractive, and reports of engineers who have been on the property are to the effect that it possesses fine possibilities.

Wants to Speculate

I am considering speculating some $200 in Canadian mining ventures. Would you name some for a reasonable hold? Some time ago you favored Keeley. What about Porcupine-Kirkland? Some even cheaper issues would suit me better.

Out in Alberta you are a little far away to speculate in the cheaper mine stocks. You might do better, being nearer the coast to play some of the B. C. issues. R. P. Clarke & Co., Vancouver, would advise you well. Keeley is good and yields well. Some of it and Premier would give you an excellent return, and both are selling low.

Providence Gold

What do you know about Providence Gold Mines?

Please give me the names of 3 or 4 responsible and trustworthy Toronto brokers, who trade in mine shares also a few who trade in N. Y. stocks.

Very little work has been done on the property of the Providence Gold Mines, north of the producing zone of the Kirkland Lake Camp. We should judge from the location of the property that it has a certain amount of merit, as have several other properties in the immediate vicinity, but this section of the country has been held back because of the lack of aggresive mining operation of any kind. The time will come when the Providence may take up an aggressive operation and it may get somewhere but for the present it is dormant, and I do not think there is any immediate prospect of its oreprating.

Black Gowganda

Do you know anything of British Canadian Exploration, previously Black Gowganda?

I made inquiry when North recently of some old time Gowanda men if they knew the fate of Black Gowanda property and its successor Brit. Can. Exploration. They never heard of the latter and heard nothing of the Black Gowanda for some years. Presumably it is dead.

Barry Hollinger

What is your candid opinion of Barry Hollinger.

Barry Hollinger is a speculation that may work well. The company has had a hard tussle. It found good ore on good widths, but the shoots were short. At depth these are believed to be working out better. There is about two years' ore ahead of the mill. The shares recently sold up to $1, giving indications of a supported market. They since dropped back.

Buying on Margin

I am thinking of buying mine shares on margin. Will you name some reliable broker? What security do you get if broker failed? Does he put the stock in the bank where, if he failed, buyer wouldn't lose out?

This is a dangerous practice. A good deal depends on the class of stock you buy. If you are going in for the better dividend paying stocks, your bank will loan you on them, and doubtless execute your orders. The number of brokers carrying non-dividend paying stocks on margin is limited. They usually charge 7 per cent. compounded monthly. Some brokers put up their stock with the bank, others do not. Except for retaining a certain collateral level with their bank on which they borrow to finance their marginal trading. Buyers' position in case of failure of broker is an evolved legal one.

We Solicit
inquiries from those interested in Canadian Mining Investments.
KIELY & SMITH
Members Standard Stock Exchange,
Canadian Pacific Bldg.,
Toronto, Can.

Specialists in Quebec's Mining Stocks
Send for Daily Sales Sheet of Quebec Stocks.
VICTOR RIGOT & CO.
Members Montreal Mining Exchange
55 St. Francois Xavier St., Montreal

IMPORTANT MERGER IN EXPLOSIVES INDUSTRY

Canadian Explosives Limited have acquired the stock of Northern Explosives Limited and from the resulting fusion of interest it is anticipated important economies will flow.

We are given to understand that the policy of Canadian Explosives Limited is immediately to pass on to the Mining industry the anticipated savings, as indeed is evidenced by the welcome news of price reductions just received by the mining community. These savings are of two classes: first, those flowing from manufacturing economies, and second, those obtained from reductions in overhead expenses.

Coming on top of previous price reductions, it is of interest to mine owners to note that the overall average Eastern Canada f.o.b. plant price for various types and grades of dynamite, after taking into account the new reduction, is only some 14% above the corresponding average price for the three-year pre-war period. In the face of increased prices for some of the principal raw materials, and the general increase in labor and equipment costs, this represents a distinctly unusual showing in manufactured articles, and reflects credit on the industry involved.

It will be welcome news to the North Country that the well equipped explosives plant at Nobel, Parry Sound, will be opened up immediately as a result of the merger, since this will tend to give better service to the mine owners in its vicinity.

The interests involved in the present merger came together last year in Western Canada, where the manufacturing and distributing conditions then existing were particularly uneconomic, and very important selling price reductions have already been made to the Western mining industry.

"The Wise Choice has the Better Chance"

THE average investor is almost wholly dependent upon the integrity and ability of those conducting a mining operation. Luck does undoubtedly play a part in mining as in any business, but it stands to reason that a company ably directed and conscientiously determined to make every dollar produce the maximum of effort towards the single goal of actual mineral production must, of necessity, have the best chance of success. The standing of those in charge of an operation can be ascertained.

It is also possible to find out something of the methods of financing and what proportion of each dollar paid for stock goes towards the actual work of locating and producing mineral—the only way in which a mine can be made a paying proposition. In such matters the wise choice has the better chance of being a happy and a profitable choice.

But how can the uninitiated secure this information? There are many sources but I believe that the safest guide is a man's own bank manager. In any industrial proposition or general investment the bank manager would undoubtedly be consulted. He, through his knowledge of ways and means, is in a position to find out those facts of personnel and capitalization upon which success so much depends, and I believe that such consultation in the matter of mining stocks would help greatly in making the proper choice. It is obvious from the statements of leading bankers, and the advertising of leading banks, that they are fully alive to the part mining will play in the development and wealth of this country, and they have always shown a disposition to help make any industry safe for capital.

A mining industry safe for capital will provide a means of individual enrichment beyond anything that Canada has ever experienced.

Robert Harvie President

Harvie Mining Exploration Company, Limited

Canada Cement Building
Montreal, December 1st, 1926

Great Britain's Return to Prosperity Depends on Trading in Empire

(Continued from page 1)

trade which she now holds in these markets.

At any rate it will be seen from the above tables that Great Britain has lost markets which she is never likely to regain, and if she is to give employment to the one and a half million people at present on the dole, she must develop markets in countries which are friendly and which do not exclude British goods through prohibitive tariffs. Lost markets are the real cause of unemployment in Great Britain, and new markets are the only thing that can bring back prosperity to industrial England.

How to Develop Empire Trade

The foregoing tables would indicate that these new markets can most readily be found within the Empire. Such development would, of course, be of distinct advantage to Canada. How can this be brought about?

1. Modification and gradual elimination of the dole would greatly facilitate Inter-Imperial trade.

The dole is not the basic cause of unemployment, but it has been the means of increasing it both directly and indirectly. It is the cause of such an anomaly as great scarcity of domestic help, and at the same time large numbers of women unemployed and on dole, many of whom have been in domestic service at some time, and many others who would be suitable for such work.

The dole is keeping wages at such a high level that manufacturers cannot compete with foreign countries and are losing both domestic and foreign markets. It is making labor inefficient and careless, which also greatly increases costs and must surely in the end bring down the rate of wage the employer can pay.

It is a heavy charge on the employer and adds greatly to his overhead. Thus it causes unemployment which increases the cost of doing business. This limits sales and causes further unemployment, thus completing a vicious circle.

Dole Burden on Labor

Thus the dole reacts and becomes a burden on labor itself, which it was designed to benefit. Eventually labor will see this and will agree to its removal.

2. Empire settlement is another method of promoting Inter-Imperial trade, although it was established primarily to lessen the number of men drawing the dole.

Never before has it been made so easy for Britishers with farm experience or who are willing to secure that experience, to come to Canada. The British and Canadian Governments each contribute to the cost of the passage so that the immigrant is only required to pay two pounds. The Canadian Government place the man on a suitable farm and the British Government advance £300 to each man for purchase of stock and agricultural implements. Were it not for the dole, one would expect such an attractive proposition to bring more applicants than could be accommodated. As it is, we are only getting one thousand families a year under this plan. The number should be greatly increased, and I believe the British Government are prepared to bear a large share of expense in settling people in various parts of the Empire.

Extension of Imperial Preference

3. Preferential Tariffs within the Empire are another means of stimulating trade and diverting within Empire channels business which is now going to foreign countries.

Free trade within the Empire with a high tariff against other countries is not acceptable at present to a number of interested parties, but the list of articles subject to preferential arrangement could be increased to the mutual benefit of all parties concerned.

4. There are also preferential arrangements other than by means of tariffs which have been put forward.

The Empire Marking Act, now being put through British Parliament, requires country of origin to be printed plainly on all goods imported into Great Britain. The million pounds which is being spent to create a preference for British goods is expected to at least cause people to give some consideration before purchasing, to their origin. This Marking Act will make such information readily available, although it will be impossible to differentiate between goods of Empire origin and those manufactured chiefly in other countries but finished or merely packed in some part of the Empire.

5. Better shipping facilities to various parts of the Empire is another suggestion.

6. Establishment of elevators for exclusive use of grain from Empire countries.

This would not only give preference to Empire production, but would give greater security to Great Britain through increasing the food supply in storage.

These are just a few suggestions. Many others could have been discussed if the Imperial Conference had acted on the suggestion of Mr. Bruce of Australia and had paid more attention to the economic side and had given less time to constitutional questions.

Branch Plants for Canada

There is also a big opportunity for British firms to establish branch plants in Canada and other Dominions. They have the capital, knowledge of the industry, the organizing ability and the skilled workmen: within the last few years the United States have established over 1,200 factories in Canada. Hon. Chas. E. Dunning emphasized this development in his speeches in Great Britain a few years ago. He referred to the clay in Saskatchewan which is suitable for the manufacture of pottery. He urged British manufacturers who are experts in the pottery business, to establish branch plants here, but his appeal fell on deaf ears. Development of this kind would strengthen the parent company in Great Britain and would offer employment to men who are now a charge on the country.

The tendency in the past has been for the British investor to put his money in some of the natural resources, and then wait till he could sell at a profit. In many cases he sold to U. S. interests who were chiefly concerned in the non-development of the property in order to keep out of competition with his own business in the United States. This kind of investment is neither profitable to us nor to British investors.

Sharp Change in Policy is Need

It is becoming clearer every day in Great Britain that she is not headed for prosperity. Some change in policy is necessary. Empire sentiment is strongly entrenched. Will she be able to work out her future based on Inter-Imperial trade, or will she have to look to some other industrial alignment?

A few days before the opening session of the Imperial Conference a remarkable manifesto was issued by bankers representing most of the nations of the world, advocating very strongly the abolition of trade restrictions among European nations. There have been frequent meetings between British and German industrialists. While I was in London I heard, but was unable to confirm a rumor to the effect that the British steel interests had completed a merger with German steel companies, but the British Government would not give its formal consent till after the Imperial Conference.

Great Britain has thus these alternatives: the development of Inter-Imperial trade or closer commercial alliance with Germany and other European countries. If she chooses or is forced into the latter, Canada will find herself isolated and placed at a great disadvantage in what has been her best market.

Decision Must Be Made

The editor of "American Exchange-Pacific Bank Bulletin" in a thoughtful and well reasoned article, which we are reproducing in this issue, fears that Great Britain may lose much through indecision in the face of the alternatives outlined above. He says:

"What has happened and is happening is that England has been and is losing the game because she is torn between loyalty to her offspring, the Colonies, and her interest in maintaining the economic leadership of Europe."

On both national and Imperial grounds the Canadian delegates had everything to gain by endeavoring to show Great Britain that our mutual interests lay in development of Inter-Imperial trade. They passed up this opportunity either through lack of interest or of knowledge of the trade situation, and what could be accomplished for Canada.

Practical Men Should Have Gone

The Financial Post urged strongly before the Conference that Hon. Chas. A. Dunning and Hon. James Malcolm should attend the conference. Mr. Malcolm is not only Minister of Trade and Commerce, but he has been a successful manufacturer for some years. He is a practical business man and realizes that the success of his department at Ottawa depends on increasing export trade.

Mr. Dunning is Minister of Railways and Canals. One very important part of his work is to find increased volume of freight for our overbuilt national system.

These two men would, therefore, have been vitally interested in seeing that economic problems received due attention.

We believe the next Conference would be well advised to go back to the 1923 plan and hold a separate Economic Conference. The Minister of Railways and the Minister of Trade and Commerce should attend and should take with them some outstanding business men as colleagues and advisers.

England's Place in the Sun

(Bulletin of the American Exchange—Pacific Bank, New York.)

The location of England's place in the sun is a matter about which Englishmen do not seem to be able to agree. This disagreement arises quite outside of any failure of English statesmanship to hit upon a workable plan for the economic cementation of the British Empire; Englishmen seem to be divided between a policy of adhesion to the economic fortunes of the continent of Europe and a policy of synthesizing, from the widely dispersed elements that constitute the British Empire, a continent of their own.

The indecision in the fact of the dilemma may perhaps be due to a feeling that no matter which horn she grasps England will in the end find herself stripped of some of the vestments of her office as a dominant world power. There is plenty of reason for apprehension on that score. As a matter of fact, it seems likely that England will never under any circumstances recover her lost place in the political organization of the world; that is, it is improbable that she will ever again occupy exactly the same position she held before the World War. In the long run, however, she may attain a new position of economic power greater than any she ever held, but that depends upon the sagacity of her statesmen and her success or failure in finding her true place in the world of tomorrow.

From this distance, it appears that England at the moment has the choice of becoming an appendage of doubtful importance to the continent of Europe or of becoming a very important, if not the most important, factor in the organization of the British Commonwealth of Nations. One of the chief obstacles to England's acceptance of the part offered her as a member of the British Commonwealth of Nations is the fact that England is more political than economic minded; that is to say, the people who have most to say and, consequently, the people who exercise the greatest influence on public opinion, weigh every question in the balance against the political prestige of the island.

Englnd's colonies have grown up. Some of them aspire to statehood, none of them is willing to acknowledge inferiority, they are all willing and apparently eager to enter into partnership with the mother country. Englishmen who do not wish to surrender any of the parental authority, which has long since gone the way of all parental authority, perhaps have it in their power to block the consummation of a partnership relation between the members of the Empire, but if they do present the arrangement, it seems probable that they will force their country to pay a price for their lack of vision such as few countries have paid before.

To say that Germany has already outmanoeuvred England in the game for the leadership of the continent of Europe would not be exactly true—what has happened, and is happening, is that England has been and is losing the game because she is torn between loyalty to her offspring, the Colonies, and her interest in maintaining the economic leadership of Europe. In other words, if England had stood alone, she might have become the leader of the accord which is tending toward the economic integration of Europe. But she does not stand alone, and the interests of her colonies and the Empire do not at present lie in the direction of the integration of Europe. The integration of Europe is not necessarily opposed to the interests of the British Empire or the rest of the world, but neither do the interests of the Empire and the rest of the world wholly lie in the direction of their participation in or their fostering of such integration—that is a matter which concerns Europe, and one that Europe must work out for herself.

It may be that economic integration along the lines laid down on the North American continent, is the next and a necessary step toward the economic integration of the world, which has been the ideal of dreamers since the industrial age was fully oriented. In the meantime, however, it is apparent that economic conflicts of interest between the various continental organizations is inevitable. The extent of these conflicts depends upon the policies that are adopted for the purpose of advancing the interests of the various continents. Attempts at exploitation or ruthless competition will be resisted and will intensify the opposition of outsiders to the purposes and plans of the continents which pursue such policies. In the early stages of this form of world economic organization complete co-operation between the several factors seems improbable.

England's position in the conceptual continent formed by the elements which now make up the British Empire may very well be that of banker and transporter—her bankers are among the best in the world and her shipping fits ideally into the needs of an organization such as is dimply projected in the idea of a British Commonwealth of Nations. England may become the New York of the British Empire of the future; that is, her place in the sun seems to lie rather nearer economic than political leadership of the Commonwealth.

As Others See Us

SOMETHING TO FORGET

Manitoba Free Press: Seldom does the opportunity arise to twit Toronto on the staunchness of her loyalty to all things British, but surely the following quotation from The Financial Post of that city provides the appropriate jumping-off place:

"The only favorable attention London has ever given Canada's gold industry has been to take up blocks of stock in some of the coming propositions and then scalp the market by selling the stock back to Canadians at a much higher figure. The first instance of this was in Hollinger. The last instance was in Kirkland Lake Gold."

Here, surely, is over-statement of the wildest kind. It may be true that the chief successes of British capital in Ontario mining have been achieved in the silver mines. But if London's engineers failed to appreciate the Dominion's gold fields, surely it was lack of knowledge rather than prejudice that blinded them. London engineers condemned Porcupine from the start, The Financial Post goes on to say. This is using memory as a convenience, for there must be thousands of Toronto folk who remember the gloom that descended on Ontario mining circles when the American Guggenheims dropped their option on the Hollinger, the Porcupine's greatest property. Was that prejudice also?

The fact is that Toronto is still burning over J. M. Keynes's ill-advised statement, in a volume published five years ago, that no important gold discoveries had been made for 25 years. Toronto will never forgive Mr. Keynes for that, and Mr. Keynes's country shares the scorn showered upon him. But this is mental astigmatism.

Here in Manitoba, we know better than to batter the poor old Motherland in such fashion. It is a significant fact that the three most important mining properties in the province at present have all enjoyed the benefits of British capital, and the despised London engineers are playing an important part in the future of one of them at this moment. Toronto has nursed her wrath long enough. That kind of talk does more harm than good.

Safety Record Brings Port Colborne Trophy

Maple Avenue, Port Colborne, is now the proud possessor of an impressive trophy, emblematic of a perfect safety record on the part of the employees of the Canada Cement Co. The trophy, a magnificent block of concrete, variegated by particles of black and white marble, has been placed on the grassy oval in front of the Canada Cement property and has just been unveiled with a pomp and ceremony fitting to the occasion. For 521 days the work of this plant was carried on without a single accident involving loss of time and as a recognition of this unique record, the company was awarded the trophy presented by the Portland Cement Association to the cement plant showing the finest accident-prevention record.

Other People's Views

Hold Empire Together

Toronto Globe: We are told that the conference's accomplishment is a triumph for Premier King. How far that view will be held in Canada remains to be seen. The parliaments of the dominions have yet to sanction the conclusions of the premiers. Let us hope that the verdict of history may not be that the empire, which was painfully established by the genius and labor and self-sacrifice of our British forefathers, exercised throughout two centuries, has been undermined by the arts of a group of politicians seeking to serve their own ends and bolster up their own power by pandering to Anglophobic elements in the states they represented.

$21,055,841 in EIGHT MONTHS

BUILDING construction in Greater Vancouver the first eight months of 1926 amounted to $21,055,841, as against $13,224,950 in the same period last year. Figures like these indicate the solid foundation for the faith of those who are investing in Vancouver properties and industries.

Send for Investment Lists.

Ceperley, Rounsefell and Co.

Investment Bankers—Est. 1886.
846 Hastings St. W.—Vancouver.

MAPLE LEAF ANTI-FREEZE

The sale of "Maple Leaf Anti-Freeze" is more than all other brands combined.

Don't say "Anti-Freeze," say "MAPLE LEAF ANTI-FREEZE"

TRADE MARK

Sold in all first-class Garages, Service and Filling Stations.

CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED

Distributing Warehouses:
MONTREAL — CORBYVILLE — TORONTO — WINNIPEG — VANCOUVER

ASK About Cost of Heating with Gas

Don't deny yourself the great luxury of home heating with gas because you believe it will be too expensive. Get a cost estimate now and then decide to enjoy real comfort and convenience with a gas heating plant equipped with a heat regulator. You never have to look at your gas heater. Operation is completely automatic. Not even the bother of ordering fuel. And you pay for your fuel *after* you use it. Real heating comfort day and night through-out the winter.

Phone or write today for complete information.

Simply wind the clock

The CONSUMERS' GAS COMPANY
55 Adelaide St. East

DOMINION BRIDGE CO. LIMITED
Montreal, P.Q.

ENGINEERS, MANUFACTURERS *and* ERECTORS *of* STEEL STRUCTURES

HEAD OFFICE AND WORKS: Lachine Locks, P.Q.
P.O. Address, Montreal, P.Q.

BRANCH OFFICE AND WORKS: Toronto, Ottawa and Winnipeg.

Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

Atlantic Sugar Refineries LIMITED

Lantic Sugar

General Offices
211 McGILL STREET
MONTREAL

Refineries - St. John, N.B.

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine

Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE:
MONTREAL

For Economy with Service Route Your Freight Shipments *via*

Canada Steamship Lines, LIMITED

Between Montreal Three Rivers Quebec

From Montreal, Toronto, Hamilton *to* Port Arthur, Fort William

Between Montreal, Toronto, Hamilton, Windsor, Detroit

For Sale

FEATURE NUMBERS *of* The Financial Post

Every feature section of The Financial Post published this year has had a large increase in circulation—substantial increases in the press run being made to provide for these additional sales. Of the 25 feature issues, the following are available at 10c. per copy.

Quebec Mining Number — 600 Copies

This issue gives a full and complete picture of the camp as it is to-day, with a record of what has been accomplished, and the promise which that accomplishment gives of further development.

Power and Public Utilities Number—225 Copies

This issue forms a broad picture of the power and public utilities industry. It covers not only the power companies and tramway systems but deals also with the problems of other utilities such as gas, telephone, and water systems.

Government and Municipal Review Number—500 Copies

An issue, which provides a complete record of every government and bond issuing municipality—the only complete record of government and municipal finance published in Canada.

Alberta Oil Number—275 Copies

In order that The Post might obtain first-hand knowledge of the Alberta oil fields, Dan C. Cushing, our mining editor, himself, made a thorough survey of prevailing conditions. This issue gives the complete details of the work which has been accomplished; the work which is now going on; what it is hoped to accomplish and the justification for the expenditure of funds in this effort.

If any or all of the above issues are of value to you place your order at once.

Circulation Department

The Financial Post
143-145 University Avenue Toronto-2

SHAREHOLDERS TO BE PREFERRED AS JOBS AVAILABLE

Novel Inducement Held Out by Man Behind Cattle Cake Movement

The Corrugated Cattle Cake and Cottonseed Oil Co., is offering stock to the public. There are to be 8,000 shares of preferred stock of $10. par value and 20,000 common of no-par-value. A share of common is given as a bonus with each share of preferred. Heading the list of directors is Thomas Walsh, who tells The Financial Post that there is money to be made in cattle cake and cottonseed oil.

The existence of this company came to light when a welfare organization inquired on behalf of a family on its list of beneficiaries. It is said that the man of the family several months ago mortgaged his home in order to invest $100 in the concern on the promise of a job. The job has not been forthcoming.

To Corrugate Cakes

Mr. Walsh was found in a small office on the fourth floor of the Bond Building, 68 Temperance street Toronto. He is a tenant of the Consolidated Press. He freely offered a copy of the prospectus which shows a printer, an accountant, a salesman and an engineer as his fellow directors. A young man whose identity was not disclosed stated that a builder was to see about constructing a factory in a day or two. The machinery for extracting the oil from the cottonseed has been ordered from Leeds, but it will not be shipped until there is a substantial cash payment, said Mr. Walsh.

This machine also will put the corrugations in the cattle cake which will be bought readily by farmers, it was said, while there is an unlimited demand for the oil from meat packing companies. The cotton seed is to be obtained from Egypt and is to reach Toronto by water because of its combustible nature when carried by rail.

Jobs for Shareholders

Mr. Walsh assured the interviewer that he is a practical cattle cake manufacturer, having been long in the business in the old country before the war. He came here following a period of military service. The small par value of his shares suggests that he hopes to interest people of very small means in his plans. He declared that he had promised no person a job in the factory-to-be if stock were subscribed for, but he admitted that he had promised special consideration for shareholders when it came time to hire men.

The shares have been on the market for about five weeks, it was said. There were some folks, however, who contributed to a pre-organization fund. These are to get the preferred shares at half price in proportion to their contributions.

Mr. Walsh apparently has great faith in his projected enterprise. But it is a question if his faith justifies mortgaging a home in order to get into business on the ground floor. Moreover, according to the prospectus the number of hands employed will be small in proportion to the profits, thanks to those machines which have been ordered in Leeds but which will not be shipped until there is a substantial cash payment.

OFFICE IN TORONTO BUT RENTS NO SPACE

International Light & Power, English, is Here for Reasons of Taxation

The International Light & Power Co. is an incorporated company with assets of $8,000,000, and head offices in Toronto, yet which rents no office space and has no telephone.

It is a company owned and managed from England and operates lighting and power subsidiaries in Merida, Mexico, Parana, Argentine; Curityba, Brazil; and Caracus, Venezuela. The annual meeting of the company was held in the Dominion Bank Building, Toronto, on Monday. The only officer of the company in this country is Robert Gowans, assistant secretary, who lives in Toronto. The Canadian solicitors are Blake, Lash, Anglin & Cassels. S. G. Crowell of that firm looks after the company's legal affairs in Canada.

There are said to be about 100 preferred shareholders. Very little of the stock is held in Canada. The company was incorporated in 1913. Canada was chosen for taxation reasons.

Profits Are Substantial

The company's profits for the fiscal year ended last June 30th totaled £39,626. Of this sum £17,906 has been paid the preferred shareholders. The report of the directors showed a growth in the number of consumers in Merida, Parana and Curityba, but in Caracas a company owned by natives have been getting consumers away from the English-owned concern. A tramway is operated at Parana, also, and the number of passengers carried last year totaled 2,210,000, which was an increase from 2,016,000.

MONTREAL FLATS OCCUPIED

From Our Own Correspondent

MONTREAL.—The rental situation among the better class apartment houses here is satisfactory. The Chateau Apartments and the Acadia Apartments have no vacancies, whilst the Drummond and the Drummond Court Apartments have only one or two vacancies each. There is a considerable investment interest in these Montreal projects, for all four undertakings were financed through bond issues which were sold to the public.

Lays 351 Eggs in Year

Laying an egg each day since last Wednesday, when she had already broken the world's record for egg production, Hen No. 6 of the University of British Columbia, white Leghorn entry in the competition held at the Dominion Experimental Farm, at the conclusion of the contest established a record of 351 eggs laid in the year. Previous to that the record was held by an Australian hen with 347 eggs within the year to her credit.

Responsibility of Investment House to Investor and Borrower

(Continued from page 10)

checks up a security, and so fulfils part of its responsibility to the investor.

(a) The first thing to be examined is the balance sheet, or in other words the financial statement. Probably nine out of 10 propositions are dismissed after a glance at the balance sheet. The balance sheet should indicate sufficient working capital to take care of the requirements of the company. It is impossible to lay down any standard requirements because businesses differ so widely, but generally speaking the current assets should be at least double the current liabilities. The current liabilities should only be a fraction of the capital and surplus. Again, if the fixed assets are large the current assets should be proportionately large, otherwise there is not sufficient working capital to swing the business.

It is difficult to discuss balance sheets intelligently in this general way. It is important, however, to get the idea that the balance sheet is the first thing to be analyzed. Sometimes the balance sheet does not look sound, but it can be corrected by the financing under consideration. In that case it should be ascertained why the company came to be in that involved condition.

(b) The record of earnings over a period of years is the next consideration. The earnings must be steady and in sufficient volume to warrant the financing contemplated. The balance sheet and income account have to be checked up on behalf of the bond house by a firm of chartered accountants and the assets as indicated in the balance sheet have to be checked up by an appraisal company.

(c) The next thing to do is to consider the management. This is really more important even than balance sheets, because a good manager over a period of time can build up a good balance sheet out of a bad one, and a poor manager can quickly make a bad balance sheet out of a good one. There are various ways of checking up management. It can be done indirectly by inquiry; or it can be done directly by personal interview; or it can be done by inspecting the plant and seeing what it looks like. A good manager has his plant in excellent order just like a good housekeeper has her house clean and tidy.

(d) Then there is the question of legality. Is the issue properly set up from a legal standpoint? This matter is taken care of on behalf of the bond house, by a firm of lawyers, who specialize in that work. Another firm of lawyers acts for the corporation and in that way nothing of a legal nature is overlooked.

3. Responsibility to protect against future conditions beyond the control of the bond house. The third responsibility of a bond house is to provide for conditions beyond its control. The bond house can help to do this by seeing that there is an adequate margin of earnings over interest and dividend requirements and an adequate margin of assets over the securities, issued, although the latter is not considered as important as it used to be. The control over the corporation issuing the security is maintained through the trust deed. The bond business is more scientific to-day than it was 15 years ago, and now there are provisions in trust deeds that weren't even considered then. A very common provision in trust deeds to-day is that which provides that no dividend shall be paid on the common stock of the company so long as the net liquid assets remain below a certain level. Most difficulties of companies come from paying out too much money in dividends. A corporation is like an individual. The man who saves something from year to year has something to fall back on in time of adversity, and likewise the corporation which does not pay out all its earnings in dividends, but rather builds up a surplus out of earnings, has something to fall back on in years of difficulty. The trust deed should provide for a sinking fund by which a certain amount of bonds are bought in each year by the trustee and retired. In this this way the issue is retired by maturity (in such cases as it is desirable to have it fully retired). A very important point growing out of the sinking fund is the fact that the buying in of these bonds from year to year provides a ready market for the security.

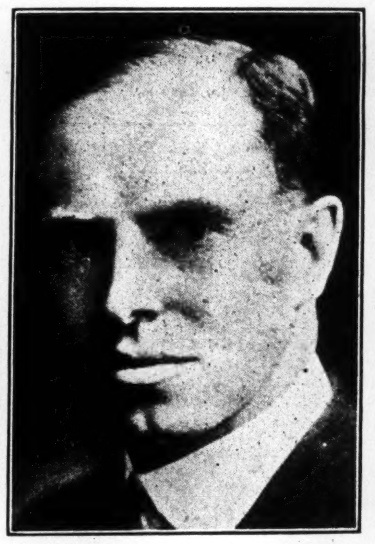
4. Responsibility to sell only certain types of securities to certain investors. The investment house not only has the responsibility to protect the investor from risks as outlined above, but he has also an obligation to perform in selling him only those securities which are best adapted to his particular needs. There are, of course, a great many kinds of investment securities represented in almost every type of industry carried on in this country. It is quite apparent also that no two bonds possess the same degree of safety. Consequently the investment house must use the greatest possibile discrimination in choosing the class of investor to whom a certain bond should be sold. Investors roughly speaking may be classified as follows: In the first place there are the institutions such as banks, insurance companies, etc., secondly you have the general run of investors, individuals with greater or less amounts of available money and lastly investors such as widows who require particularly safe bonds insofar as they are so dependent upon whatever money they have. Of course, to all of these types of investors the investment banker can give invaluable advice and at all times should have the interest of the investor at heart.

5. Responsibility to provide service to the investor. There is one other way in which an investment house is under an obligation to the investor and that is in rendering him service after the sale of the bond, or other security. There are times when the investor should sell one security and buy another. This situation should be watched by the bond house. Sometimes bonds are malled for redemption by the sinking fund, and the bond house feels obligated to keep the investor informed of that fact. Perhaps the most important service to be rendered after the sale of a security is to provide a market at all times and to see that the investor gets as much information as possible regarding his investments from time to time.

Responsibility to Borrowing Corporation

I have said that the investment house is not only responsible to the investor but also to the corporation that issues the securities. Let us look at the responsibility from that standpoint. There are various types of corporations that issue securities, such as governments, including provincial and municipal, and also corporations, including railroad, public utility, and industrial.

(1) Responsibility to governments.—How are we responsible to governments? I will give two illustrations out of my own experience. During the war, owing to the enormous contribution made by



R. A. DALY,

Who delivered the lecture on "The Responsibilities of The Investment House" in the University of Toronto series on investment banking.

the Canadian soldiers at the front, it was necessary that a similarly large financial effort should be made by the investors of this country. The bond houses were accordingly called in by the minister of finance to organize the whole country in order to sell government securities, and the work done by the Canadian bond houses was equal to that done anywhere in the world, when you consider that up to the time of the war Canada was not really an investing country. It was not sufficient, however, just to sell the bonds. Once they were sold, the market for all these millions of bonds had to be maintained and two of the leading investment bankers in Canada were responsible for conceiving of what was afterwards called the Victory Loan Market Committee, which committee had the responsibility of protecting the market for victory bonds. This was quite unique in the history of war finance anywhere in the world, and it won for itself a great deal of favorable comment. I had the honor of being the secretary of this committee and had an opportunity of seeing the service that it rendered in war finance in Canada.

Selling Sinking Fund Idea

Another illustration of the responsibility of bond houses to the government is seen in the work that the I. B. A. has done in getting provincial governments to realize the importance of retiring their debt through sinking funds. As a result of the continued propaganda of the I. B. A., the province of Ontario finally called on that organization to contribute one man who should act on a committee of three to work out a plan of debt retirement for the province. This plan was accepted by the province in its entirety and it is expected that it will be in operation during the current fiscal year. This work was done by the committee without remuneration and is one more example of the opportunity for public service by organizations such as the I. B. A.

As an illustration of the responsibility of the investment houses toward municipalities you have the work done by the I. B. A. in trying to get the affairs of certain defaulted municipalities straightened out. Luckily there are not many of these in Canada, but, nevertheless, there has been a tremendous amount of work given toward curing these troubles.

(2) Responsibility to Public Utilities and Industrial Corporations. I notice in the sketch which Prof. Jackson provided, outlining in a general way the topics he had in mind being discussed in these particular lectures, this point:

> "The responsibility to provide at all times, particularly in times of stress, when it is most required, new capital for all legitimate purposes."

This is the keynote of the dual responsibility of a bond house to the borrowing corporation and the investor. The bond house is in the position of trying to serve the borrowing corporation in its time of need, and yet not sell anything to the public that is not secure. It is quite apparent as soon as you think of this point that there are degrees of safety in various securities. The greater the need of the borrowing corporation for funds the greater the risk may be to the investor in buying these securities. This does not mean that the securities should not be sold nor that they should be sold. It simply means that the investment house must use the greatest possible discrimination in underwriting the issue, in safeguarding it, and also in choosing the class of investor to whom the securities should be sold.

War Laid Foundation

During the war, as I have already intiminated, the foundation of a very fine bond machinery was laid down. This bond machinery sold government and municipal bonds to the extent of $600,000,000 or $700,000,000 a year. After the war, when the government stopped borrowing, this machinery proved too large for the government and municipal financing available and, as a result, the investment houses turned to corporation financing.

At first some of the houses who then engaged in this type of financing were looked at askance. Many people thought the higher grade houses should handle only government and municipal bonds. However, it was quickly seen that it was really a fine thing for the development of Canada that the investment houses were turning to this field, for it meant that any reputable industrial corporation now had no difficulty in financing along sound lines. This will really be a big factor in the industrial development of Canada in the next generation, and, what is almost more important, it will serve to keep the control of our industries more and more in Canada, because formerly the financing of our industries was largely done abroad.

Points in Industrial Finance

In arranging financing for a borrowing industrial corporation there are a great many details to supervise. The investment house is really responsible for looking after these matters. They are perhaps too technical to discuss in detail, and, in any case, there is not time to do that, but these are some of them:

(a) Form of the capital structure should be sound. There should be a proper balance between bonds, preferred stock and common stock. The securities issued are dependent in their type on the nature of the business, as well as on the assets and the earning power. Sometimes bonds or preferred stocks are convertible into common stocks.

(b) The interest or dividend rate should be adequate. The term of the bonds should not be too long, considering the purpose of the issue. The amount of the issue should be large enough for the needs of the company, but not too large to be secure. The price to be paid should be fair both to the corporation and to the public, as well as to the investment house.

(c) In selling securities, as wide a distribution as possible should be obtained in order that there may be a good after market. It is always desirable that stocks should be listed, although it is not necessary for bonds to be listed. As already explained, the sinking fund on bonds provides a market. A recent development has been to have preferred stocks issued in certain cases with a sinking fund.

(d) The public buying a security are entitled to reasonable information from time to time regarding the position of the company. This does not mean that they should get information from month to month, because it is often misleading in certain kinds of business to give information that frequently; but the fullest possible publicity is always desirable.

(e) The investment house has a responsibility to see that the directors of the company are well selected, so as to be useful for getting new business for the company and to direct the affairs of the company.

Some Further Responsibilities

In addition to these further responsibilities to the investor on the one hand and to the corporation on the other, there are other obligations which investment houses must fulfil. In the investment business millions of dollars' worth of bonds may be sold over the telephone, no written agreement or contract given, simply the word of one person to another. This means that a very high code of ethics must be maintained at all times between investment houses. In other respects as well, such as honoring syndicate agreements, the investment banker has a responsibility toward his fellow banker.

The investment banker certainly has an obligation toward himself. If his house gains a reputation for honest and fair dealing, that reputation is more valuable to him than anything else. The investment house has to uphold its traditions not only this year but next year. Each year that an investment house is in business makes it easier for that house to sell securities, and the greater the responsibility on the part of the investment house not to relax its standards. So I would point out the responsibility of the head of any investment house to be certain of the qualifications of each of his employees and to promote to positions of trust only those who have shown that they possess integrity, ability, good judgment and high ideals.

Big Year For Savings Certificates

The year 1926 has been the best year for the sale of Alberta provincial savings certificates yet experienced. The net deposits for the ten months ending in October were $2,976,004.63, which is greater by $830,000 than the entire year of 1925. October was a very heavy month, the net deposits being $796,792.42, the heaviest month of the year. The total net purchases of certifiates for the ten years the system has been running have been $10,651,826.13.

1926 MITCHELL METALCRAFT 75th YEAR JUBILEE YEAR

DIGNITY

There is an indefinable quality in metal fixtures, artistically designed and expertly executed.

THE ROBERT MITCHELL CO., LTD.
MONTREAL

Electrical Energy in the City of Montreal

RELIABLE — Six (6) Hydro-Electric Power plants and large steam plant Reserve.
CONTINUOUS — Available for use 24 hours per day and every day. No restrictions.
UNLIMITED — Approximately 300,000 H. P. available.

FOR POWER, LIGHT AND OTHER PURPOSES
Generated and Distributed by the

Montreal Light, Heat & Power Consolidated

Low Rates for Service

Inquiry Requested. Address to Power Bldg., 83 Craig St. West, Tel. Main 4040. Montreal

2 CHRISTMAS SAILINGS by this famous service

Low rates for choice accommodation to Belfast, Liverpool and Glasgow.

Dec. 11th. "LETITIA" from Saint John, N.B.

Dec. 12th. :: :: :: Halifax to Plymouth, Cherbourg and London.

Dec. 13th. "ANTONIA" from Halifax.

Cunard
ANCHOR-DONALDSON LINES

Particulars from
The ROBERT REFORD CO.
Limited
TORONTO
(Phone Elgin 3471)
or any STEAMSHIP AGENT

First Christmas Ever Shown

Desks that have these Parker Duofold Sets can be cleared of Inkstands Forever

Only the Parker Desk Sets have the full Ball-and-Socket Action that lets the pens rest at any angle or lie down flat without drying.

These tapered black-tipped, lacquer-red fountain pens hold their own ink and rest on a handsome Desk Base which keeps the pen point ever moist, ready for writing *any instant!*

In Parker Bases is an air-tight Ball-and-Socket bowl that enables one to rest the pen not only at any angle and in any direction—but to let it lie level—out of the way. Only the Parker does this.

Thus the Parker Set can be slipped in a drawer at the close of day—and the point will not dry out over night. Besides, we give you the famous Parker Duofold point—guaranteed 25 years not only for mechanical perfection but *for wear!*

You can select any Parker Duofold pocket pen from the dealer's stock and he'll convert it into a tapered Desk Pen in a twinkling, for the parts are interchangeable. Just another exclusive advantage the Parker gives you, like a handsome Gift Box at no extra cost.

Ready now at all good dealers for Christmas mailing.

THE PARKER FOUNTAIN PEN COMPANY, LIMITED
TORONTO 3, ONTARIO

Parker
Duofold Desk Sets

CANADIAN GUARANTY TRUST CO.

Acts as Executor, Administrator, Trustee, Guardian, Agent and in any other Fiduciary capacity.
Official Administrator for the Northern Judicial District in Manitoba and for the Swift Current Judicial District in Saskatchewan.

Head Office: BRANDON, MAN.
Branch Office: Swift Current, Sask.
JOHN R. LITTLE, Managing Director.

Vancouver Holdings Ltd.
714-15 Board Trade Bldg., Vancouver, B.C.

BRITISH COLUMBIA INVESTMENTS

TIMBER PULP WOOD AREAS MINES

WE place at your service over 25 years of actual business experience in British Columbia and we direct your special attention to inside business property in Vancouver.

HON. H. H. STEVENS, Managing Director.
W. H. STEVENS, Local Manager.

Now Evident Canadian Business in 1926 to Reach Highest Level on Record

Dominion Bureau of Statistics Optimistic in Its Forecast

MOST LINES ADVANCE

Practically All Indicators of Canadian Business Conditions Show Forward Movement

The general level of business activity, which showed a declining tendency during the third quarter of the year, recovered somewhat in October, says the Dominion Bureau of Statistics, reviewing Canadian business conditions:

"It is now evident that the volume of Canadian business during 1926 will have attained a very much higher level than in any preceding year.

The strong feature of the economic situation in October was the extensive nature of the construction contracts awarded. After the usual adjustment for seasonal variation and for the cost of building, October contracts were in excess of any other month this year. Industral employment, though showing, after seasonal adjustment, a slight recession on October 1 as compared with the preceding month, was also at a high level, indicating active operations in the principal establishments throughout the country. Production in the primary iron and steel industry effected a moderate gain in October, while carloadings also increased in volume. The increase in bank debits was not sufficient to offset the seasonal adjustment, and this factor was therefore the only one of the five considered in this connection, which, after the usual adjustments, did not show an advance.

Three Representative Factors

"The three factors chosen to represent important phases of business conditions in Canada showed declines in the month under review. The recession in industrial stocks and in notice deposits represented a comparatively slight reaction from the high records of the preceding month, while the decline of wholesale prices continued the downward trend in progress since the beginning of the year.

"Speculation — Notwithstanding the substantial reaction in industrial stocks which occurred from March to May, the trend during the first nine months of the year was upward, forming a continuation of the advance in evidence since June, 1924. The increase from May to September was steady and fairly rapid, resulting in the latter month in a high record for all time. A moderate reaction was shown in October, explainable in part by the well-sustained advance of the preceding four months.

"Wholesale Prices — The decline in wholesale prices since the beginning of the year has been almost continuous, slight increases being recorded in April and July only. As a result of the steady fall, the index in October was at a lower level than in any month since May, 1924. Upward tendencies at the end of 1924, and, on the average, during 1925, due to higher levels prevailing in the vegetable products, animal products and non-ferrous metals groups, have been counteracted in 1926, by the influence of falling prices, due to the movement in European countries towards the gold standard, but also by lower price levels for certain important commodities.

An unusual feature of the price movement is the fact of a decline in the face of active business conditions. This is doubtless due in part to a continued policy of hand-to-mouth buying on the part of manufacturers and distributors, thus preventing boom conditions, but it is also the natural reaction of sound business conditions on this side of the Atlantic to deflationary movements in European countries.

"Notice Deposits—While notice deposits declined slightly in September, the recession serves to draw attention to the fact that the record established on August 31 was the highest ever reported. Notice deposits have been at a high level during the first nine months of the present year. A steady advance was effected from January to April, and since that time, aside from the new record attained in August. the high level has been well maintained. As a result, the banks have been placed in a strong position to meet legitimate demands for credit in the support of business enterprise.

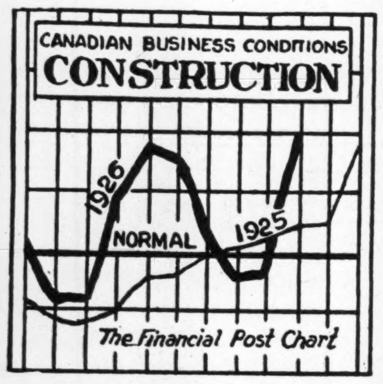
State of Canadian Industries

"Agriculture—The official estimate of the wheat crop based on conditions existing at the end of October was only 1.5 per cent. less than the bumper crop of last year. The wheat crop of the Prairie Provinces was placed at only 1,685,000 bushels less than last year, a decline of about one half of one per cent. In many sections of the west, adverse weather conditions in October delayed harvesting operations and lowered the quality of the grain. In western Saskatchewan, the weather was somewhat more favourable and threshing operations were completed for the most part without much injury to the crop. Among the coarse grains, the yield of oats was greatly reduced as compared with 1925, the estimated production for the present year being 365,000,000 bushels as compared with 513,000,000 bushels last year, a decline of 29 p.c.

With a few exceptions, the estimates for the remaining field crops were also reduced in comparison with last year. A composite index of the yields per acre of the field crops, weighted according to values during the 10-year period from 1915 to 1924 and expressed as a percentage of the average for the same period, was 110 as compared with 112 the final index of yields for 1925.

"Marketings—The receipts of wheat at the head of the Lakes during the first three months of the present crop year was 90,400,000 bushels as compared with 100,000,000 bushels in the corresponding period of 1925. The harvesting season of 1925 was early and grain was moved to intermediate markets in large volume during September. The shipment of grain in September this year was greatly reduced, but the October receipts at intermediate markets were well maintained as compared with October, 1925. The number of cars of wheat unloaded at the Head of the Lakes and Vancouver was 47,257 in October last as compared with 44,069 in October, 1925. Due to the shortage of shipping, the export of grain to ultimate markets was greatly retarded, the export of wheat including flour being 34,900,000 bushels in October, as compared with 46,500,000 bushels in the corresponding month last year.

The sale of cattle on the stockyards in October showed a reduction from the preceding month after allowance is made for



seasonal variation, while the sale of hogs was more than 20 per cent. above the average. The result was that the index of livestock marketings was nearly maintained as compared with the preceding month, although a considerable decline was shown in comparison with October, 1925, when sales were unusually heavy.

"Physical Volume of Business—The index of the physical volume of business, being a composite of the leading statistical series of volume in Canadian production, trade, transportation and finance, is perhaps one of the best indicators of the economic trend in Canada. The index as given in Table 2, page 14, indicates the rapid expansion in the volume of Canadian business since August, 1924. The index reached a maximum on the present movement in June last, and during the third quarter a recession was shown. The dropping off, however, was of moderate proportions, and the volume of business in Canada is now being maintained at a high level.

"Manufacturing—The index of manufacturing, which forms one of the most important components of the index of the physical volume of business referred to above, showed an increase of 8 per cent. in September over the preceding month. This Sept. figure completes the record of a year of high levels of productive activity in the principal manufacturing industries. October, 1925, marked the commencement of a new pace of activity much in excess of the preceding period. During the twelve months from October, 1925, to September last this high level was well maintained. The statistics for such industries as are available indicate that the October, 1926, record will not differ materially from preceding months.

"Transportation—The revenue carloadings in October were about 6 per cent. greater than in the corresponding month of 1925. The early harvesting of the grain crops in the western division resulted in a heavy movement of freight in September, 1925, with the result that the carloadings in September last showed a decline in this comparison. During October last, the loadings in both the eastern and western divisions, showed important increases over the corresponding month of last year. The gross operating revenues of the two large railway systems showed, according to preliminary estimates, considerable increase over October, 1925. This result was attained in spite of the excellent showing in the last quarter of 1925, when the marked expansion in Canadian business took place.

Finance in Canada

"Banking—The banking factors indicate the same strong financial position which has been in evidence for some time. Although the notice deposits declined slightly in September from the maximum for all time reached on August 31, this factor is at a very high level. Demand deposits showed an increase in September and have been continually at a high level for the past twelve months. During the first nine months of 1926, the current loans which had been declining since the height of the post-war inflation, reversed the trend of several years duration, and are now reported as having attained a total greater than in any month since November, 1924. The increase holdings of the banks, after seasonal adjustments are made, increased during the first five months of the year but since that time have shown a steady decline. At the end of September, the increase during the first part of the year had been counterbalanced.

"Speculation—The index of industrial stocks showed a decline in October as compared with the preceding month. In September a maximum for all time had been attained after steady increases during the preceding five months. The decline in October was due chiefly to the recession in the milling, textile, and "all other" groups, but nearly all groups showed some decline from the high point attained in September. Indexes of bank stocks and industrial preferred stocks also showed recession, while the index of the public service companies was maintained.

"Investment—Of the $527,300,000 of new issue Canadian bonds placed on the market during the first 10 months of the present year, more than half—$270,200,000—were corporation bonds. The value of corporation securities during the whole of 1925 was about 25 per cent. of all the financing, and in 1924 the percentage was around 12 per cent. Power, transportation and pulp and paper groups entered the market for large amounts. Total issues of $130,750,000 during the first 10 months of the year by the power companies include the thirty million issue of the Duke-Price Power Company, the two Gatineau power company issues totalling $37,500,000 and the thirty million dollar issue of Montreal Power. Two Canadian Pacific issues totalling $32,000,000 and the Canada Steamship Lines Co. block of $18,000,000 were the chief items for the transportation group which sold during the period in question five issues amounting to $50,830,00. To provide for the expansion of operations, thirteen pulp and paper companies placed bond issues on the market to a value of $44,908,000.

Conditions in United States

"The physical volume of business in the United States continued at a high level, recent statistics indicating active production in most lines and satisfactory volume in the distribution of goods. Carloadings continue to show new high records keeping pace with the long term upward trend. Construction continues active, the total of awards for the first ten months of this year being $28,000,000 larger than for the corresponding period last year. The iron and steel industry was active in October, the output of steel ingots being 4,092,548 tons, the greatest October production on record. This increase over September, however, was more than accounted for by seasonal tendencies and the high percentage of operation was caused mainly by requirements of rails. Sales of automobiles show recession especially in the South and Middlewest, resulting in some contraction in production schedules.

"Speculation—The indexes of industrial stocks indicate that considerable liquidation occurred in October but that in the early weeks of November the prospect was somewhat changed. This alteration was due to the fact that business prosperity continued good, and the stock market naturally reflected the improved outlook in the industrial field. Declaration of extra dividends by General Motors, Dupont and Kennecott were constructive factors which had a distinct effect on the market.

"Wholesale Prices—The major trend of wholesale prices was downward during the last few months in spite of sporadic increases due to special influences. Advances in the weekly indexes during the early part of November reflected the increase in the coal and coke prices caused by the British coal strike. In view of the gradual decline in the general level of prices, most concerns found it necessary to increase their turnover in order to maintain the average level of profits.

"Money Rates. As the demands for funds for financing the crops has now passed, the maximum and the liquidation in the stock exchange during October has resulted in the reduction of brokers loans, a tendency toward easier money rates is in evidence. During the early weeks of November, prime commercial paper rates ruled at 4 and one half per cent to 4 and three-quarters per cent.

United Kingdom Business Conditions

"In view of the considerable delay in reaching a setlement of the coal strike many lines of British industry were retarded during October and the early weeks of November. The level maintained in spite of the heavy handicap of the shortage of coal, lent support to the contention that the strike settlement will mark a considerable expansion in the field of industry. The awarding of several large contracts for construction overseas, reported by special cable on November 16, was regarded as an omen of a greater measure of prosperity. These included the construction of the great admiralty dock for the naval base at Singapore by Swan Hunter and Wigham Richardson, Limited, of Wallsend-on-Tyne, the building of a network of new underground railways in Buenos Aires by a London firm, and the supply of a large quantity of cotton mill machinery for Melbourne, Australia. Production of pig iron had sunk almost to the vanishing point with only five blast furnaces in operation. The engineering industry, depending on imported raw materials, continued to put up a stiff resistance to adverse forces. Lower levels for raw cotton prices will enable manufacturers to transact an extended business on a profitable basis for the first time since the war.

"Between April and September the speculative share market effected a considerable advance, the index of the *Bankers' Magazine* advancing from 128.7 to 136 5 during the period. In October a reaction was experienced, the index standing at 134.5. Upon the announcement of the virtual settlement of the coal strike on November 15, the stock exchange showed additional activity with coal, iron and steel shares advancing. Textile was also one of the best sections, as the industry is regarded as capable of a quick recovery. Earnings during the current period, however, were necessarily restricted.

"The downward movement of wholesale prices after reduction to the gold basis which had been proceeding during the greater part of the year in most European countries was lessened in intensity during the last few months. Currency fluctuations was such a marked feature, notably in France, Belgium and Italy that the influence of the business cycle was obscured. Attempts to stabilize the currencies in these countries, implying a temporary depression of trade, acts as a retarding influence on the recovery of world prices. After making due allowance for seasonal tendencies the market rate of discount has receded considerably since July, but the adverse balance of trade is regarded as a factor tending to prevent an easy money market.

Offices will be established in Calgary for the Alberta Government, to be occupied by Premier Brownlee or other ministers for the purpose of meeting delegations and hearing representations with respect to matters concerning the south part of the province.

MONARCH KNITTING EARNINGS IMPROVE IN 1926 OVER 1925

(Continued from page 1)

1924 level. It is probable that the 1926 gain will be about 10 per cent. over the 1924 figure. This may mean a gratifying net profit because of other conditions which affect the balance sheet favorably.

Sell Buffalo Plant

A review of the prospects of this company, formerly a big money-maker, would be incomplete without mention of the fact that the incubus of the Buffalo (N.Y.) factory has been removed finally and all the expenses written off. The last charge on this account showed last year when $150,000 was appropriated from the reserve to cover the winding-up cost. A previous annual report indicated that a total of $483,000 had been invested in this subsidiary. It was never profitable.

The knit goods industry has been subjected to a number of violent changes in consumer demand in the last decade. While operations were enormously profitable at times, changes came so rapidly that readjustments tended to wipe out profits. Monarch Knitting in one year sold $1,000,000 worth of yarn for the busy needles of the war knitters in family circles. Nowadays knitting is almost entirely out of style.

Monarch was in perhaps a less fortunate position to cope with these vicissitudes than were other companies selling knitted woollens. Monarch was originally largely a sweater concern. It was younger than its competitors and its competitors were more firmly established in such staple lines as hosiery and underwear. Now, however, with Monarch's line rounded out so that it has a backlog of staples, both in sweaters and in underwear and hosiery, and with the Buffalo plant eliminated from its profit-and-loss account, conditions should be improved from the investor's viewpoint.

Abbreviate Line, Sell More

Like many other companies which were endeavoring to find their best lines of staples, the Monarch varieties were too numerous. This year, about 300 numbers were eliminated from the regular line. Salesmen, it is reported, were dubious of this move, but it has resulted in no loss of orders and has been helpful from a manufacturing viewpoint.

Monarch's bank loans at the end of 1925 totaled $483,000. This situation probably will be unchanged at the end of 1926 for the reason that inventories are necessarily large because orders in staples must be anticipated and because much of the wool used must be imported months ahead from Australia and New Zealand. Next summer's flashy bathing suits in varying tones of reds, browns and greens, are now on Monarch's stock shelves.

Find Real Salesman

The history of the Monarch Knitting Co. as it is told in its home town of Dunnville is interesting to the point of romance. About 25 years ago a private banker decided that there was money to be made in knitting woollens. He interested a hardware merchant as a practical man and the hardware merchant induced a farm-implement salesman to go on the road selling knit goods.

That farm-implement salesman was a wizard in the knit goods trade. He sent back more orders than could be filled by the few machines in the back part of the hardware store, or maybe it was an upper floor. When the salesman's year's contract expired there was a disagreement as to terms. The salesman went to F. R. Lalor and a new venture was made—a triple partnership was formed with J. A. Burns as the administrative head.

Without a good salesman for their products, the banker's and the hardware merchant's knitting dwindled to nothing, while Monarch rapidly rose. The salesman, who originated many of the lines in which Monarch was the pioneer, a few years ago drew out of the business with $300,000 cash and is now a resident of California.

Mr. Lalor, the president of the company, has not been in good health for several years. But the former member of parliament always has been engaged in many enterprises and the fact that he has been unable to attend to the affairs of Monarch is not believed to have made the company's problems more difficult. The general manager, J. A. Burns, is the active head of the business, as he has been from the company's inception. He is believed to be thoroughly capable.

Mitchell is Out

T. A. Russell, of Toronto, is a vice-president of Monarch and A. E. Ames, head of A. E. Ames & Co., is a director, formerly vice-president. Also on the board is George C. Biddle, of Dunnville. H. L. Mitchell, of Buffalo, N.Y., who was the active head of that branch of the company's activities and a director of the Dunnville company, is no longer with Monarch.

This company's earlier success was accountable at least in part to its good fortune in creating, or at least in anticipating, consumer demand. It now is active in the production of knitted silk goods and a number of its lines have made hits with the public. The ordinary investor perhaps does not appreciate the difficulties that have confronted the manufacturer in attempting to make articles of apparel appeal both as fashionable and comfortable in this rigorous climate.

Tariff Hurts

Monarch Knitting has suffered, along with other companies, from the tariff regulations which have admitted British and French goods at prices which could not be met in this country so long as the existing standard of living were maintained. Monarch officials say, however, that foreign competition has been met in the lines in which there is not a great deal of hand labor, because the Monarch mills are modern and well equipped and the labor situation in Dunnville, St. Catharines and St. Thomas is fairly stable. In the most elaborate lines of knitted goods, such as women's suits, the preferential tariff and the French convention are still doing a great deal of harm to Canadian industry, because the franc is depreciated and because wages are low both in England and France.

Grant Johnston & Co.
Members
Montreal Stock Exchange
Montreal Curb Market
A Reliable Service in Listed and Curb Securities
104 ST. FRANCOIS XAVIER ST. MONTREAL
Telephones Main 6134-6135

McDougall & Cowans
Members of the Montreal Stock Exchange
130 St. James Street
STOCK BROKERS
HALIFAX SAINT JOHN, N.B. QUEBEC
OTTAWA TORONTO WINNIPEG
MONTREAL
Direct Private Wire to all Branches and New York

The West Develops
Those who are not familiar with the strong and steady growth of the West will find it profitable to do so.
Development is on sound lines and recognized industry pays well. Investment should be made under advisement of a reputable financial institution.
Pemberton & Son
Financial Agents
418 HOWE STREET
Vancouver, Canada

LAKE OF THE WOODS MILLING CO. LTD
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
CAPACITY, 20,000 BARRELS DAILY
President and Managing Director: FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager: WM. W. HUTCHISON.
Directors:
R.M. BALLANTYNE, TANCREDE BIENVENU, HON.SIR LOMER GOUIN, K.C.M.G. GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN, J. K. L. ROSS; N. J. BREEN.
Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

NEWBOLD C. JONES
FREDERICK NEWTON
BRIAN HEWARD
JOHN D. MACPHERSON
JONES, NEWTON & HEWARD
MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411*.

CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER, 1926

DR.

TO DIVIDENDS:	
Four quarterly Dividends aggregating $1.28 per Share	$1,024,000.00
TO BALANCE AS PER BALANCE SHEET	1,420,877.99
	$2,444,877.99

CR.

BY NET PROFIT FOR THE YEAR AFTER DEDUCTING ADMINISTRATION EXPENSES AND MAKING PROVISION FOR DEPRECIATION AND INCOME TAX	$2,109,851.43
BY BALANCE BROUGHT FORWARD FROM LAST ACCOUNT	335,026.56
	$2,444,877.99

BALANCE SHEET—30th SEPTEMBER, 1926

ASSETS

Real Estate, Buildings, Machinery, Goodwill, Etc., Less Depreciation	$ 4,209,760.38
Shares in Associated Companies and other Investments	5,381,740.00
Stocks on Hand at Cost	3,030,015.49
Sundry Debtors (Less Provision for Doubtful Debts) and Debit Balances, including Associated Companies	698,233.53
Cash in Bank and on Hand	544,178.52
	$13,863,927.92

LIABILITIES

SUNDRY CREDITORS AND CREDIT BALANCES, including Associated Companies			$890,587.37
DIVIDEND PAYABLE 15th OCTOBER, 1926			256,000.00
SHAREHOLDERS' ACCOUNT:			
Capital Stock:—			
Authorized—1,000,000 Shares without nominal or par value.			
Issued—800,000 Shares		$10,000,000.00	
Surplus:			
Accumulated Surpluses of Former Companies	$1,296,462.56		
Profit and Loss Acc't	1,420,877.99		
		2,717,340.55	
			12,717,340.55
Contingent Liability: Bills Receivable Discounted—$29,178.00.			
			$13,863,927.92

Approved on behalf of the Board,
(Signed) SHAUGHNESSY,
(Signed) W. S. RAINER, } Directors.

We have examined the above Balance Sheet with the books of the Company and have obtained all the information and explanations we have required. In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

DELOITTE, PLENDER, HASKINS & SELLS, Auditors.

Montreal, 23rd November, 1926.

35 Years of Canadian Business Told by Cycles

When the National Bureau of Economic Research, of New York, set out to study the "business cycles" of the world they discovered many interesting things. Most interesting from the standpoint of Canada was the fact that in this country periods of prosperity are of longer duration and periods of depression shorter than in the average country. Canada has but few panics and its business time is comparatively even from cycle to cycle.

Publication of "Business Annals" a 378 page book on the times cycles of the leading countries of the world crystallizes the studies of the bureau. Willard Longthrop is author.

A chapter is devoted to Canada and its most interesting feature is a record of Canadian business from 1890 to 1925. This record shows:—

1890—Mild depression. General dullness and inactivity; many failures; foreign trade active with large unfavorable balance. Money easier; important banking legislation. Large crops with high prices. Northwest Territories granted responsible government.

1891—Depression; revival. Continued dullness gives way to increased activity, autumn; commodity prices decline; some increase in exports. Money fairly easy. Large crops with high wheat and lower oats prices.

1892—Mild prosperity. Moderate activity in domestic trade; commodity price decline continues; period of rapid expansion in foreign trade begins with large increase in exports. Money easy. Fair crops with lower pices. Active immigration; Behring Sea Seal Fisheries dispute with United States submitted to arbitration.

1893—Recession; depression. Slowly decreasing business activity seriously restricted, autumn; commodity price decline slackens; many failures late in year; further large increase in exports. Easy money tightens. Good harvests; very low wheat price; higher oats.

1894—Acute depression. Severe industrial depression; sharp decline in commodity prices; many failures; restriction of foreign trade, especially imports, favorable balance. Money easy. Poor crops, very low prices. Tariff reduced.

1895—Depression. Continued stagnation in domestic industry; slight decline in commodity prices; foreign trade reaches low point. Money easy. Large crops; some recovery in wheat price, further decline in oats. New Sault Ste. Marie Canal opened, September.

1896—Lessening depression. Continued dullness in domestic trade; further decline in commodity prices; increased number of failures; foreign trade revives, especially exports. Money easy. Fair crops; wheat price higher but oats very low. Immigration at low point; Klondike gold discoveries, August; excited election puts Liberals in office.

1897—Revival. Marked improvement appears; rapid expansion in mining industry; commodity price decline checked; further expansion of foreign trade. Money easy. Good crops and higher prices. Gold stampede, May; period of rapid increase in immigration begins; Behring Sea arbitration award favors United States.

1898—Prosperity. General activity; commodity prices rise; very active foreign trade. Money abundant. Large harvests; wheat price declines, oats rises. Further gold discoveries in British Columbia; tariff with British preference goes into force, August.

1899—Prosperity. Marked activity and expansion; further rise in commodity prices; increase in imports and decrease in exports. Money tightens slightly. Good crops; further decline in wheat price and rise in oats. Canada enters Boer War, sending troops, October.

1900—Prosperity; slight recession. Continued activity, with decline in autumn; commodity price rise checked late in year; gold production reaches maximum; boom in foreign trade. Money fairly tight. Failure of wheat crop, oats fair; prices high. Ottawa fire, April; drought, autumn.

1901—Revival; prosperity. Enormous expansion in domestic industries; extensive construction; commodity prices lower; small increase in foreign trade. Money eases with introduction of much foreign capital. Very large wheat crop, good oats; high prices.

1902—Prosperity, with financial distress. Great activity and expansion; full employment and many new enterprises organized; commodity price rise resumed; speculation; large increase in foreign trade. Money tightens, autumn; rapidly rising security prices collapse, October; slight panic with some bank failures. Agriculture prosperous with exceptional crops and good prices. Increased immigration.

1903—Prosperity. Continued activity and progress; very few failures; commodity prices steady; coal shortage early in year; large increase in foreign trade. Money tight; stock market depressed with falling security prices. Small wheat; larger oat crop; good prices. Immigration boom; Alaskan boundary dispute settled in favor of United States, October.

1904—Uneven prosperity. Continued prosperity in trade and manufacturing; fishing and lumbering depressed; construction boom; increase in business failures; commodity prices continue steady; imports increase and exports decline, creating unfavorable balance. Money eases; continued stock market depression. Poor wheat, good oats crop; favorable prices.

1905—Full prosperity. Great activity and expansion; prices steady; further increase in unfavorable balance of trade. Money easy; security prices rise. Excellent crops, good prices. Province of Alberta and Saskatchewan created, September.

1906—Prosperity. Continued activity and expansion; industrial boom; commodity prices advance rapidly; labor shortage; severe coal dispute causes coal famine; extensive railroad construction; enormous increase in foreign trade. Money tightens; stock prices steady. Large crops, high prices. Cobalt mining rush.

1907—Prosperity; panic; recession. Continued activity and expansion slackens, autumn; land speculation collapses; commodity prices reach unprecedented levels; foreign trade very large, especially imports. Money tightens; financial stringency, autumn, leads to panic, October; gradual decline in security prices. Crop failures, high prices. Industrial Disputes Investigation Act, March; immigration reaches peak; active anti-Japanese agitation.

1908—Depression; revival. Curtailment of activity gives way to improvement, last quarter; severe depression in manufacturing; many failures; sharp decline in commodity prices; relapse in foreign trade, especially imports. Tight money eases late in year; inactive stock market. Bountiful crops; excellent prices. Land Act encouraging homesteading creates great rush to Northwest Territory, September.

1909—Revival. Gradual improvement becomes pronounced, summer; manufacturing active; failures continue numerous; commodity price rise resumed; period of rapid expansion of imports begins. Money easy; revival of security markets. Excellent crops; high prices.

1910—Prosperity. General activity and expansion; active railroad and building construction; commodity prices rise; fewer failures; exports decline, large increase in imports. Money tight, autumn; stock exchange activity halts temporarily, summer. Poor yields; prices decline. Record immigration.

1911—Prosperity. Increased volume of domestic and foreign trade; building activity continued; active land speculation; many new enterprises organized; large unfavorable balance of trade. Money eases; stocks boom. Excellent crops; wheat price falls, oats rises. Drought; active immigration; Conservative party returned to power.

1912—Prosperity. Record activity in many lines; active building and exceptional mining and manufacturing outputs; active speculation; commodity prices rise; further large expansion in foreign trade. Money tightens severely late in year; security prices reach peak and then decline. Excellent harvests, low prices. Record immigration.

1913—Prosperity; recession. Activity continues, first half-year, and then gradually slackens; speculation checked; many failures; price rise halted; unemployment appears late in year; large exports, imports decline. Money very tight; stock markets depressed. Excellent harvests, better prices. Bank Act establishes central gold reserve.

1914—Depression, deepening with war. Increasing dullness becomes stagnation with war, August; extensive unemployment; slow rise in commodity prices; many failures; great reduction in foreign trade, favorable balance. Money tight, stringent with war; stock exchanges closed, July to October. Poor crops, good prices. War declared, August; troops landed in England, October.

1915—Depression; revival. Paralysis gives way to war activity; manufacturing industries stimulated by war material demands; rapid rise of commodity prices; many failures; foreign trade recovers. Money very tight; security prices rise, spring. Magnificent crops; good but lower prices. Extensive enlistment; government initiates "production and thrift campaigns."

1916—War activity. Great activity, especially in manufacturing industries; commodity prices boom, with temporary relapse, summer; labor shortage and transportation congestion late in year; very large exports. Money easy; considerable increase in currency in circulation; war loans; real estate crisis, Vancouver. Partial failure of crops; higher prices. Business profits tax imposed.

1917—War activity. Continued activity, hampered by labor and supply shortage; rapid price rise slackens, May; exports reach peak. War loans dominate money market; security values decline. Poor crops, very high prices; government control of wheat crop. Food controller appointed, June; fuel controller appointed, July.

1918—War activity; recession. Continued activity, slackening with Armistice; prices rise to peak, November; decline in foreign trade late in year. Financial strain. Very poor wheat crop, large oats; government control with very high prices. Influenza epidemic, October; Armistice, November.

1919—Revival; prosperity. Dullness gradually gives way to great activity; production low to last quarter; prices decline to April and then rise; severe labor difficulties, especially Winnipeg, second quarter; revival in foreign trade. Money tight; great stock exchange activity; gradual decline in foreign exchange accelerates, November. Poor wheat, fair oats crop; prices rise to peak. Fuel and food control ended, March; Canadian National Railways formed, December; demobilization.

1920—Prosperity, recession. Activity continues; boom reaches peak, summer, and then decline sets in; commodity prices reach peak, May; production continues high to end of year; unemployment appears, October; imports reach peak, exports decline, unfavorable balance. Money tightens, especially last half-year; severe decline in security values. Larger wheat, record oats crop; prices slump sharply. Large immigration.

1921—Depression. General stagnation; widespread unemployment and many failures; production at very low level; falling commodity prices; decline in foreign trade, balance favorable. Money eases; foreign exchange improves; temporary banking strain, December. Agricultural depression severe; large wheat, smaller oats crop; prices very low. Immigration declines; Liberal party comes into power, December.

1922—Depression; revival. Continued dullness gradually disappears; construction boom; manufacturing improves, autumn; commodity prices reach bottom, September; many failures early in year; employment improves; revival in foreign trade, marked increase in exports. Money easy; exchange returns to parity, August. Record wheat crop, large oats; prices slightly improve.

1923—Moderate prosperity. Generally improves and sound business conditions; production reaches very high peak, summer; prices steady; failures continue numerous; further improvement in employment; fishing industry severely depressed; further revival in foreign trade. Money abundant; exchange falls, first quarter; banking troubles and scandals. Record crops with low prices; agricultural distress lessens. Revisions of tariff encourage British and American trade, May; extensive emigration to the United States; revival of immigration.

1924—Recession; mild depression. Slump in manufacturing and other industries, especially last half-year; many failures; unemployment; prices decline to May and then recover; increased exports but smaller imports; signs of improvement late in year. Money fairly easy; stock market active in spring and last quarter; exchange returns to par. Good crops, much higher prices. Slackening immigration.

1925.—Revival; prosperity. Marked improvement, particularly in mining, and paper and pulp industries; manufacturing active, except iron and steel industries; Nova Scotia coal strike, March to August; construction active after first quarter; commodity prices reach peak early in year, decline to April, and rise late in year; large increase in foreign trade, especially exports. Money plentiful and easy; stock market very active with rising prices, especially last half-year. Very large wheat and oats, record barley crops; good wheat and oats, high barley prices. Immigration much smaller; Conservatives win general election, October.

American Capital Stimulates Canadian-U.S.A. Trading

An American bank writes in its current monthly letter: "While the value of British trade with all the dominions has increased since 1913, nevertheless England's share in the total dominion trade has declined. This is true of Canada, as shown in the following table:

	% imports into Canada from Great Britain	% exports from Canada into Great Britain
1913	21.3	49.9
1924	19.0	37.0
1925	17.7	38.6

"The increasing proportion of American trade in the total trade of Canada has been stimulated by American investments in that country. Since the outbreak of the war these investments have increased 276 per cent., amounting on June 30, 1926, to $3,011,000,000."

Wabasso Cotton Adds to Capacity of Plant

MONTREAL.—The Wabasso Cotton Company is to make an addition to the plant which will increase its floor space by 10,000 square feet. The new addition will be used to produce pillow cottons and a new line of fine silk fabrics. About a year ago, Wabasso, like many of the other textile companies, added several rayon lines to its output; these new lines met with good success and the increasing demand for such fabrics is in part responsible for the decision to increase the capacity. The company will not issue any new securities to pay for the cost of the addition; it will be met from working capital.

The earnings of Wabasso have shown a steady increase since 1924 and, during the first five months of the current fiscal year, it is understood that earnings are in excess of the corresponding period of last year.

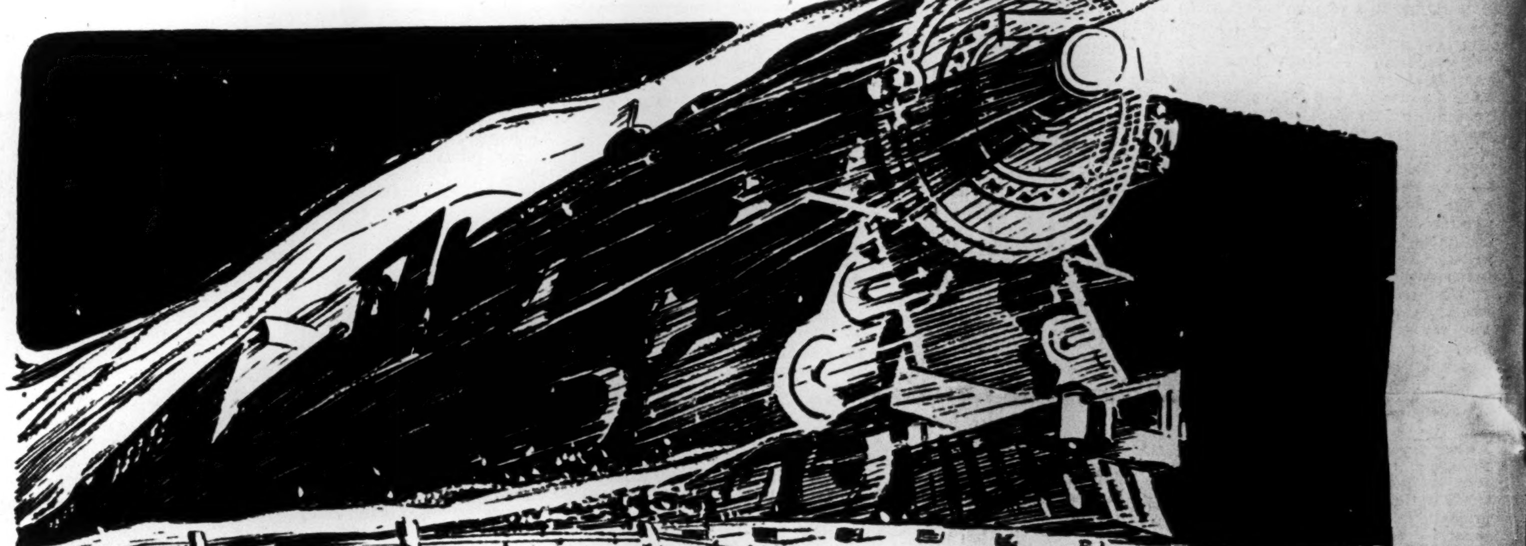
Charlottetown Guardian.—While we have, for political, not Canadian, reasons, been flirting with the United States, and neglecting our better and more dependable market in Great Britain, Premier Bruce of Australia has been developing Australian trade with the Mother Country and has secured a lead which Canada will find it difficult to overtake.

INVEST YOUR SAVINGS
in a 5½% DEBENTURE of
The Great West Permanent Loan Company
5½% Interest Return
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

A. L. KOYL & COMPANY
General Financial Agents
SASKATOON
First Mortgage Investments, Property Management

GLASS of all descriptions
All kinds of flat glass available
For immediate delivery and in large quantities.
Case goods, fancy glass, wire inlaid, leaded, plain, striped or prismatic, colored, church glass, etc.
Also sole manufacturers
NON-SHATTERABLE PERFECT VISION BULLET PROOF GLASS
PERFECTION GLASS COMPANY LIMITED
201 Inspector St. MONTREAL

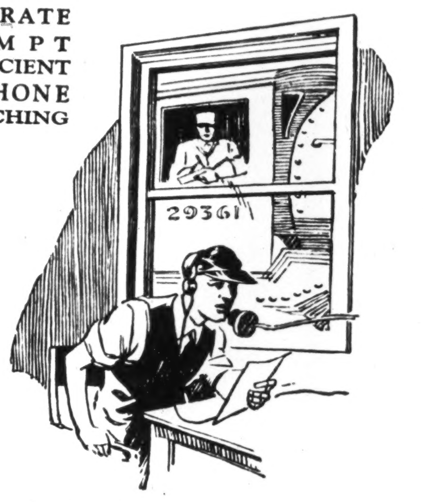
DOMINION TEXTILE CO., LIMITED
PRUE COTTONS
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER



CONFIDENCE in the Right of Way

THE engineer at the throttle of his thundering steed maintains his running schedule without fear, for he knows that he is continually moving through zones of safety, protected and controlled by train dispatchers behind him and ahead of him.

ACCURATE PROMPT and EFFICIENT TELEPHONE DISPATCHING



The train dispatcher, with his Northern Electric telephone before him, can communicate with all other stations through their telephones, and, in emergencies, can be reached instantly by crews and track inspectors miles away.

Thus the dependable telephone, creating and maintaining zones of safety within which the rushing locomotive and its train are constantly travelling, is daily evidence of electricity's varied service to mankind.

All of the equipment used in telephone train dispatching on the Canadian railroads is manufactured by the Northern Electric Company. Another instance of the wide scope of the Northern Electric's activities.

This is No. 21 of a series of advertisements issued in the interest of Canada's electrical development.

Northern Electric
COMPANY LIMITED
Equipment for transmitting Sound and Power
221